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Lundi 28 mai 2012

Standing Committee on General Government

Automobile insurance review

Comité permanent des affaires gouvernementales

Examen de l'assurance-
automobile



Chair: David Oraziotti
Clerk: Sylwia Przewdziecki

Président : David Oraziotti
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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GENERAL GOVERNMENTCOMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES

Monday 28 May 2012

Lundi 28 mai 2012

The committee met at 1407 in room 228.

AUTOMOBILE INSURANCE REVIEW

The Chair (Mr. David Orazietti): Good afternoon, folks. Welcome to the Standing Committee on General Government, here today to consider the comments of various stakeholders with respect to an NDP motion that was put forward to review the auto insurance industry.

AUTO INSURANCE
ANTI-FRAUD TASK FORCE

The Chair (Mr. David Orazietti): I'm going to call first Fred Gorbet to come forward. Mr. Gorbet, you have an hour in total, but you have half an hour for your presentation. Then we'll leave half an hour for questions among members of the committee, to be divided up as 10 minutes for each caucus. Any time that you don't use in your presentation—so if you're not going to use the entire half an hour, we'll divide that time up among members to ask questions. So, good afternoon, and welcome today. You can start by stating your name for our recording purposes and proceed when you're ready.

Mr. Fred Gorbet: Thank you very much, Mr. Chair and members of the committee. My name is Fred Gorbet. I chair the steering committee of the task force and I'm pleased to have the opportunity to appear before you today.

I appreciate that the mandate of your committee study is much broader than fraud, which is the focus of the task force, but we believe that fraud is an important issue in Ontario, and the task force is very pleased that the committee is taking an interest and has invited our participation.

I'll take the opportunity in my presentation to do three things: to lay out the structure of the task force, describe the highlights of the interim report that was released last December, and provide a brief update on our timetable for completion of the mandate that we have been given.

With respect to the structure and the mandate of the task force, there is a five-person steering committee that is independent of government, which I chair. The other members of the steering committee are Margaret Beare, who is a professor of law and sociology at York University; George Cooke, who is the CEO of Dominion of Canada General Insurance Co.; James Daw, a retired

reporter with the Toronto Star who focused on consumer finance issues during the 30 years or so that he wrote for the Star; and Bob Percy, who is the deputy chief of operations for the Halton Regional Police Service.

The five of us, as a steering committee, provide direction to three working groups. There is a working group on prevention, detection, intervention and enforcement; there is a working group on regulatory practices; and there is a working group on consumer engagement and education. Each of these working groups is chaired by a senior public servant and has representatives from stakeholder groups as well as from government departments.

In choosing the membership of the working groups, we have adopted a working principle that says that if you're going to be at the table in a working group, you or your organization should have some accountability for being able to implement whatever recommendations the task force might make. So, for example, we have members of the regulatory colleges that regulate the health professions at the working group table. We have a representative from the Law Society of Upper Canada. We have representatives from the industry through the Insurance Bureau of Canada.

We do not have representatives of other groups that have interests but don't have accountability. With respect to those groups, we have invited any and all of them that wish to participate to make presentations to the working groups or to the task force. We have had about 30 individuals and groups make such presentations in the period of time that we have been active.

The task force itself is made up of the five-person steering committee, the chairs of the working groups, Ministry of Finance support for the task force, and representatives from the two other ministries that are involved with the Ministry of Finance, and that would be the Ministry of Community Safety and Correctional Services and the Ministry of the Attorney General. To date, as I said, we've had about 30 presentations.

We were appointed in July 2011, and our mandate has two parts to it. The first part is to commission research into the extent of automobile insurance fraud in the province, and the second part is to make recommendations to the government and other concerned stakeholders about ways to minimize auto insurance fraud.

In December 2011, we released an interim report, which is available on the Ministry of Finance website.

I'll take you briefly through the highlights of the interim report. There are four main things that we did in the interim report.

First of all, we had a fairly lengthy chapter that tried to summarize the evolution of Ontario's automobile insurance system at a pretty high level. It's a very complex system, as you know, and you're going to have presentations from FSCO, I understand, after my presentation, so I'm not going to go down very far. I'm also not qualified to go down very far. But we felt that it was important that we try to understand it, as a steering committee, and we did try to turn our understanding into a section of the report that allowed us to explain to the public our perceptions of the system and how it had evolved.

For example, we looked at just a chart of auto insurance premiums in constant dollars from 1985 to 2010, which is quite an interesting chart—it's in the report—and it basically shows a cycle of auto insurance premiums peaking and then falling and peaking and then falling and coming back up. What is interesting is that every time they hit a peak, the government of the day, whatever the political stripe of that government, would intervene and change the system and introduce changes to the system that would then start premiums on a downward trajectory again, and they would begin to rise after some time. So it's a complex system where cost affects premiums. Very high political visibility: High premiums bring government action and changes to a system that's already complex. That's the first task that we set for ourselves in the interim report: to try to describe those interrelationships.

The second thing was, we turned our attention to trying to see what we could say about fraud. There is an estimate that has been around for some time about the cost of fraud in Ontario auto insurance. The number that has been around for almost 20 years, I believe, is the number \$1.3 billion. We tried to figure out where that number came from; we could not. We could not really satisfy ourselves that it had credibility. In the interim report, we basically said that we can't credibly put forth any quantitative estimate of the extent of auto insurance fraud in the province. Our first research project, which I will get to in a minute, is directed at actually trying to provide that quantitative information in a robust and credible way.

What we did do in the report was look at the evolution of costs for the system from 2006 to 2010. In particular, we looked at the increase in the costs for statutory accident benefits, and we did quite a detailed analysis of how those costs had moved. I'll give you just the highlights very briefly.

From 2006 to 2010, the total claims costs for automobile insurance increased by \$3 billion in the province. Accident benefit costs increased by \$2.4 billion from 2006 to 2010. So the bulk of the total increase was in accident benefit costs.

The amount of accident benefit costs, the level in 2010, amounted to about \$370 per registered motor

vehicle in the province of Ontario. From 2006 to 2010, accident benefit costs increased by 118%. Over the same period, there was a 7% decrease in the number of accidents. There was a 9% decrease in the number of individuals seriously injured in accidents. There was a 6% decrease in the severity of injuries suffered by victims, and there was a 7% increase in price inflation for our health care services in the province.

So we said to ourselves, what would we have expected accident benefit costs to be in 2010 if from the 2006 base they had grown at rates that one might expect to be logically related to these kinds of drivers of costs? The answer we got was that there was an unexplained gap between what we estimated accident benefit costs probably should have been and what they actually were, a gap that amounted in the province of Ontario to about \$300 per registered motor vehicle. In the greater Toronto area, the GTA, we did the same analysis, and that gap amounted to about \$700 per registered motor vehicle in the greater Toronto area.

Now we can't, and we did not, say that that was an estimate of fraud. We don't really have the basis to make that kind of claim. All that we can say at this stage is that that magnitude can't be explained by the kinds of things one would normally look to to try to explain growth in that particular variable.

We did say in the interim report that while we could not quantitatively estimate fraud, anecdotally there were a lot of stories around that we were hearing from people who appeared before us and from others that suggested that fraud was a problem and it was a growing problem. We conceptually, in the interim report, identified three different types of fraud, and in our research work we are trying to put quantitative estimates around each one of them.

The first type of fraud was organized fraud. We have brief definitions and some examples in the interim report. I won't go into those in great detail here because I don't really have time for it. But at a high level, organized fraud we defined as fraud that involved several participants with different roles within Ontario's auto insurance system that work together to create an organized scheme designed to generate cash flow through a pattern of fraudulent activity.

We defined premeditated fraud as fraud committed by a participant within Ontario's auto insurance system who consistently charges insurers for goods or services not provided, or provides and charges for goods and services that are not necessary.

We defined opportunistic fraud as fraud that is committed by an individual claimant who might do such things as padding the value of an auto insurance claim by claiming for benefits or for other goods or services that are unnecessary or unrelated to the collision that caused the claim.

We speculated, in the report—our hypothesis, if you like that word better than speculation, was that the growth in accident benefits to the extent that we could not explain that growth from 2006 to 2010 and to the

extent that it turned out to be fraud-related, was more likely related to the growth in organized and pre-meditated fraud rather than opportunistic fraud, which we regarded as kind of a—because it's individual, acting in individual circumstances, something that probably is relatively constant over time and wouldn't exhibit those kinds of growth characteristics.

So that was the hypothesis that we set out, but again, we are in the process, through our research, of trying to put some numbers and a credible methodology around that hypothesis.

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The third thing that the interim report did was set out a research agenda. It had two major components to it. One was to develop the estimates of fraud, which I've talked a little bit about. The second was to do what we call a multi-jurisdictional scan.

On the first one, through an RFP process, we engaged Ernst and Young to work with us and to work with the Insurance Bureau of Canada, who had also engaged KPMG to try to do a quantitative estimate of the three different elements of fraud. That work is ongoing. It is nearing completion. We have not yet seen a draft. IBC and KPMG are the main actors in that research that is going on. Ernst and Young is engaged by us to get involved with them and to try to ensure, for our benefit, that the methodology is credible and robust and provides numbers that we, as a task force, feel confident in standing behind. That's the role that Ernst and Young is playing.

We engaged Deloitte to do a jurisdictional scan, to do a report on what other jurisdictions that have similar types of auto systems and are experiencing fraud problems are doing in the areas of our three working groups to deal with those problems. It is a secondary-source scan, so they are essentially looking at publicly available material, compiling sources for us, putting all of that together. We have seen a draft of that research, but we do not have the final research available.

Our agreement with the ministry is that the research projects that are funded by the ministry under the auspices of the task force will be made public when they are finished.

The fourth area that we dealt with in the interim report was to try to set out, at a reasonably high level, our own agenda for the balance of our mandate, based on what we knew and what we believed last December. We did that to try to provide a framework where we could get feedback from interested parties, the stakeholders, that would help us pursue those issues. We listed five issues that we would be pursuing. We are looking at the regulation of health care clinics—I should say the licensing and regulation of health care clinics.

We are looking at other possible gaps in the regulatory system, and I would characterize those other possible regulatory gaps as falling into three different categories, if you will. First, we are looking at the towing industry and whether there should be greater regulation or oversight of the towing industry. I know that there's a

private member's bill that's introduced in the House, and we are looking at that and other possible options.

The second regulatory area we are looking at has to do with FSCO and FSCO's authorities. We are looking at whether FSCO's authorities with regard to the auto insurance business as a business are clear enough and broad enough. My understanding, and FSCO can correct me if I have it wrong, is that the authorities now derive from the Insurance Act, and they relate to those engaged in the business of insurance. I believe a case could be made that that goes beyond the actual employees of a regulated insurance company to those people who supply goods and services to the insurance industry, such as health care professionals or towers or others. But if there is ambiguity, we think that that ambiguity should be clarified. We also believe that FSCO's regulatory authorities probably should be broadened to explicitly deal with other actors in the system.

In our work on regulating clinics, we would be considering designating, or recommending to the government that they designate, FSCO as the regulator of clinics. I should make it clear that when we talk about regulating clinics, we're not talking about regulating the competencies or qualities of the health care practitioners. We're talking about regulating the integrity of the business processes within those clinics in terms of looking for fraudulent business activities.

The third area of regulatory oversight that we're looking at I could generally characterize as the relationship between insurance companies and claimants. There are two sides to that. There's looking at the array of regulations that govern how insurance companies can interact with auto insurance claimants and things like timelines, modalities, those kinds of questions. But we are also looking at regulatory options that would mandate more disclosure by insurance companies, to the benefit of automobile insurance purchasers.

Right now, if a purchaser wants to do a search to try to find information about how to buy auto insurance, it's relatively easy to get rate information.

The Chair (Mr. David Oraziotti): Sorry to stop you. You're doing great, a great job. We've got to take a break for a second, by the standing orders of the committee, so that members can go down the hall to the Legislature to vote. We'll come back as soon as they vote.

Mr. Fred Gorbet: Okay.

The Chair (Mr. David Oraziotti): We'll continue. You're about 20 minutes into your time, so—

Mr. Fred Gorbet: And I've got about nine and a half minutes left.

The Chair (Mr. David Oraziotti): No problem. Perfect. See you in a few minutes.

The committee is in recess.

The committee recessed from 1427 to 1437.

The Chair (Mr. David Oraziotti): Okay, folks, if we could resume. Thank you very much for your patience. Go ahead.

Mr. Fred Gorbet: Okay, thank you. I was talking about regulatory gaps and I was talking about relationships between the industry and consumers generally.

We are considering mandating more disclosure by companies in certain areas, and I was saying that it's relatively easy to cross-company-shop for premiums. It is not so easy to cross-company-shop to get a sense of how different companies might actually deal with you if you happen to be injured in an automobile accident. We're looking at the possibility of recommending that companies be required to disclose some of their practices in that regard. For example, if they contract for independent medical assessments, or independent medical examinations, I guess they're called—IMEs—we may want to consider asking them to disclose on their website what criteria they use; how they go about choosing the professionals they choose. If they have preferred providers, we might want them to talk about how people can become part of their preferred-provider network. We might want them to talk about the claims process generally—what claimants should expect from that company.

The model for that is something I was involved with 20 years ago, which was corporate governance generally. I was executive director of a similar kind of task force, not for government but for the accounting industry and the stock exchanges, where we mandated disclosure of corporate governance practices. My sense is that over the 20 years that that disclosure has been required, the general quality of corporate governance has increased. People understand what best practices have been. Outside commentators focus on it. We're looking at the possibility of seeing whether that model could have applicability to that aspect of how companies deal with their claimants. That's the third part of the regulatory gap issue that we're looking at.

In addition to regulation of clinics and other gaps in regulation, it has been suggested to us that we recommend the establishment of a dedicated task force. This would be a task force with prosecutors and law enforcement to pursue criminal investigations. It exists in other jurisdictions. We're looking at it, but in our judgment it would be really tough to try to transpose that kind of model into the Ontario justice system, and we are not sure that it would necessarily be the most effective way to deal with the issue.

It seems to us that the quickest and most effective way to deal with fraudulent activity is to cut off the flow of funds to the fraudsters, and we are focusing a lot more of our attention on recommendations that may allow that to happen. This is not to the exclusion of trying to make the possibility of criminal investigation and prosecution work better. We think there are some ways to do that and we're looking at some options in that regard. We haven't ruled out a dedicated task force, but it's not something that I could tell you today that we're prepared to recommend.

Then finally, we set out in the interim report the need for a broad education and engagement strategy for consumers. There are three parts that we're looking at to that strategy. One is trying to deliver the right message at the right time to the right people. The working group is working really hard. That sounds almost platitudinous

when I say it, but there's a lot of hard work going into defining what "right" means in each of those circumstances. I think we will come out at the end of the day with a strategy that is well-thought-out and that is specific enough for actors to engage in, in a meaningful way.

The second part of that is to try to develop a web portal for consumers that would really try to accomplish three main things. It would be a comprehensive portal. It would try to help consumers figure out how to avoid being entangled in a fraudulent scheme. It would try to educate consumers about what to do if in fact they believe there is fraud going on around them: who to report it to, how to report it. Finally, if a consumer happens to become a claimant, we would try to provide information on that website about what they ought to expect in terms of being treated as a claimant from their insurance company, from their health professionals, from others in the system.

Then the third part of the consumer education strategy would be the regulatory disclosure aspect that I talked about just a few minutes ago.

That is our agenda, Mr. Chair. The next steps: We put that out in December. We're continuing to hear from people. We're continuing to work on those issues. We are now working on a status report which we hope to release end of June, early July, that kind of time frame. That status report will take stock of the kinds of things that have happened since December in the external environment, in our own work. We will use that to report the results of our research. We will use that to provide more detail about the direction of our thinking on those issues, as a basis for feedback and consultation. We will go from that status report to our final report to the Minister of Finance, which is due in the fall and which we are targeting, Mr. Chair, to try to deliver in the September time frame—fall, for me, starts after Labour Day.

Thank you very much. I'm pleased to take questions.

The Chair (Mr. David Orazietti): Thank you very much. We'll start over here with the Conservative caucus.

Mr. Rosario Marchese: Mr. Chair, I have a question, please, and a request.

The Chair (Mr. David Orazietti): Okay.

Mr. Rosario Marchese: I would like it if we would start with the government members and go around.

The Chair (Mr. David Orazietti): The Conservative caucus is normally first, so it's up to you. If opposition—

Ms. Laurie Scott: I was just wondering. Do you think that we'll have the opportunity to have a rotation after each of the presenters? The first couple for sure, because they're an hour long.

The Chair (Mr. David Orazietti): That's the way we've been proceeding with committee, so—

Ms. Laurie Scott: Yes. Is that okay with you, then, if we go—

The Chair (Mr. David Orazietti): If we're going to—

Mr. Rosario Marchese: So we'll start with the government members, if you don't mind? They'll start with the 10 minutes, and then they will and then we will?

Ms. Laurie Scott: Oh, I see.

The Chair (Mr. David Orazietti): It's up to the Conservative caucus. Normally opposition is first, so government, you know—

Ms. Laurie Scott: So, when we get down to the smaller time frames, will we be able to get a question—

The Chair (Mr. David Orazietti): We're going to go in rotation, and it will have to be just one member from each party asking questions.

Ms. Laurie Scott: But each party should be able to ask a question.

The Chair (Mr. David Orazietti): We will, but they'll have to be brief and concise if we're going to do that.

Ms. Laurie Scott: What do you want to do, Jeff? Rosario, I think, wants—

Interjections.

The Chair (Mr. David Orazietti): Right now, opposition is up first for questions.

Interjections.

Mr. Yasir Naqvi: Mr. Chair, how much time do I have to ask questions?

The Chair (Mr. David Orazietti): A little less than what we had before, so go ahead.

Mr. Yasir Naqvi: Seven or so minutes?

The Chair (Mr. David Orazietti): Yeah.

Mr. Yasir Naqvi: Okay, great. Good afternoon, sir, and thank you very much for joining us today. Let me start first by thanking you and your task force for the excellent work that you've been doing on anti-fraud. I've had the chance to read your preliminary report and it's fairly extensive work. I know the final report has even more detail to it. Thank you very much for the work that you're doing, and thank you for being here.

Auto insurance fraud is a serious issue that I think we need to address. Some have claimed that auto insurance fraud is not a large problem at all and that the government should be elsewhere. Could you comment on that?

Mr. Fred Gorbet: Well, I guess the only comment that I feel qualified to make at this time is to repeat what I said before, that if you look at the numbers on accident benefits, our conclusion is that there is about \$700 in 2010 per registered vehicle in the greater Toronto area that we can't explain satisfactorily by any kind of drivers that one would normally expect to explain that kind of number. That's a big number. Now, whether all of that's fraud or not, or part of it's fraud or how much of it's fraud, I really can't say, but it can't be explained. That, together with a lot of the anecdotes that we are hearing as a task force, suggests to us that it is quite a significant problem.

Mr. Yasir Naqvi: And obviously it has an impact on the premiums.

Mr. Fred Gorbet: It does. It has a direct impact on the costs, and the costs have a direct impact on the premiums.

Mr. Yasir Naqvi: Would it also be fair to say that fraud may be more acute in certain areas, certain terri-

tories, so that a province-wide figure of fraud as a percentage of total provincial premiums may be misleading and could underestimate the problem in certain areas?

Mr. Fred Gorbet: Yes, I think that's a fair conclusion. Again, the numbers that we looked at suggest that that unexplained difference is about \$300 per registered vehicle, on average, in the province of Ontario but \$700 in the GTA.

Mr. Yasir Naqvi: You were also talking about the role of FSCO and that part of your recommendation as to how FSCO can deal with fraud. Any more detail that you can share at this time as to how FSCO can tackle fraud and how precisely can they play a role in anti-fraud and checking the premiums and perhaps, hopefully, reducing the premiums?

Mr. Fred Gorbet: Let me say that I think FSCO has done a very, very good job so far in the kinds of measures that they've taken. The comments I made really should not be taken in any way as a criticism of what FSCO has been doing under the terms and authorities of their legislation. My comments really go to whether their authorities are broad enough to allow them to do what they might do. The substance of my comments really is that I believe that we are coming to a conclusion that suggests they are not broad enough and they should be expanded. But I have to say that I really am not in a position to provide more specifics, because we have not, really, as a steering committee or a task force wrestled with these issues to the point where I feel comfortable getting out ahead of where we might come out.

I could give you my own ideas, but my own ideas would be my own ideas. They wouldn't be as chair of the steering committee. I think to be fair to my colleagues on the steering committee, I have to really respect the fact that we need to have further conversations.

But you will see in our status report where we think we want to go, and you will see in our final report where we have got to.

Mr. Yasir Naqvi: No, I think that's fair, and I appreciate the brief comments that you have provided as to what you foresee as the role of FSCO and that, obviously, we wait for the final report, once you have ample time to address that.

Last question, Chair, and that's in regard to private member's Bill 41—I'm sure you may have had the chance to review that; that's tabled by my colleague Mr. Singh—that begins to address some issues around auto insurance fraud. Could you provide a few comments on the bill and whether you think it's headed in the right direction?

Mr. Fred Gorbet: I think it's a very—this is the bill that deals with whistle-blowing?

Mr. Yasir Naqvi: No.

Mr. Fred Gorbet: Oh, 41.

Interjection: It's 45.

Mr. Fred Gorbet: Which one is 41? Is that—

Mr. Yasir Naqvi: I'm referring to—what's Mr. Singh's? Bill 45.

Mr. Fred Gorbet: Sorry, I thought 41 was whistle-blowing.

Mr. Yasir Naqvi: Sorry, I'm talking about 45.

Mr. Fred Gorbet: Oh, okay. Mr. Singh, which bill is yours? Is this one of the rights-setting bills?

Mr. Jagmeet Singh: It's getting rid of geographic discrimination.

Mr. Fred Gorbet: Oh, yes, that one. No, I really can't comment on that because—I mean, we're not in the rate-setting business. I think that's a fair question for FSCO, but our focus is really on fraud and not on how to set rates.

Mr. Yasir Naqvi: Safe answer.

1450

Mr. Fred Gorbet: But if you want to ask me about whistle-blowing, I could tell you maybe gratuitously that I think that—

Mr. Yasir Naqvi: Tell me about whistle-blowing, yes.

Mr. Fred Gorbet: I think that is an issue, and that it's an issue we're looking at. I think that there are a lot of very interesting aspects to that private member's bill that is tabled. There are two that we're looking at. One is on whistle-blowing and the other is Mr. Zimmer's bill on self-regulation of the towing industry. We're looking at both of those. We haven't concluded on either one.

Mr. Yasir Naqvi: Okay. Great.

The Chair (Mr. David Oraziotti): Right. Thank you. Mr. Yurek, you're up.

Mr. Jeff Yurek: Thanks, Chair. Thanks very much for coming today and giving us your feedback on the fraud task force. I've read the report and it's very, very in-depth and went along well with the Auditor General's report, which came out basically at the same time.

I didn't hear if you mentioned anything about the HCAI and possibly using that system to open up and share information, and perhaps that's a good way to cut off the fraud that's going on with the clinics. Can you elaborate on that?

Mr. Fred Gorbet: I can, and thank you for the question, because if I had more time—I should have. It's a very important aspect and I was remiss not to mention it.

HCAI is now mandatory. It was originally designed as a processing engine to try to be efficient, to increase efficiencies. It has the potential to be a very effective anti-fraud tool, and as a task force, we have actually commissioned a separate working group on HCAI. They are pursuing three different initiatives right now that are nearing—well, two of them are. One is complete, one is nearing completion and one is probably about a year away, but they're all very important anti-fraud devices.

The one that is complete and operating is, they're using HCAI to actually send out regular statements to insurance companies of everything that has been billed to that insurance company by every biller. So it's like a credit card statement where periodically—I think it's every month—each insurance company and each clinic will get a list of everything that's billed. So that's an opportunity just to take stock, kind of the way I do with my credit card. I check the invoices when I get the bill

and make sure there's nothing funny going on. So that's important as information.

Secondly, they are working with the colleges to build a feature into the system that will allow health care practitioners, through their college, to actually access information about which billing facility is using that particular health care practitioner's identity. This is an important potential tool to counter the identity theft of medical practitioners' identity.

They've tested; they've done a proof of concept. The HCAI working group has worked on pilots with, I think, two of the different associations of health care professionals. It's proving out very well, and it's welcomed by the practitioners and by the colleges. It's close to being implemented.

The third initiative, which is a little further away because it's a little more difficult, is actually taking that second one even further. It will be providing every health care practitioner with an identifiable PIN number in HCAI, so that when that is actually rolled out, you will not have to go through the college anymore, but every health care practitioner will have the ability to access HCAI directly and learn what is being billed in his or her name.

So we think that that is a very important set of anti-fraud initiatives.

Mr. Jeff Yurek: Okay, thank you. Do I still have time or—you have no idea?

The Chair (Mr. David Oraziotti): No, I said you had a brief—

Mr. Jeff Yurek: Oh, sorry.

The Chair (Mr. David Oraziotti): —another minute or two.

Mr. Jeff Yurek: You said the task force with a crown attorney would be tough to place in our system here in Ontario, even though it's worked elsewhere in the world. What resources does FSCO have for going after fraud? How many inspectors do they have to actually deal with this problem?

Mr. Fred Gorbet: I think you should ask them when they come—

Mr. Jeff Yurek: We haven't seen that in your task force report.

Mr. Fred Gorbet: I think they'll be here. You know, I'm going by memory. I think two or three, but I'm going by memory and I could be wrong. We probably believe—I think we're coming to the conclusion they should have more than they do.

Mr. Jeff Yurek: Okay. Thank you.

The Chair (Mr. David Oraziotti): Okay. NDP caucus, Mr. Singh, go ahead.

Mr. Jagmeet Singh: Sir, just to clarify some points, the \$1.3-billion figure that's been used has been used for about 20 years, and based on your research, that number doesn't seem to be supported by any research that you have. Is that correct?

Mr. Fred Gorbet: We could not find any research we thought was credible that could support it in today's marketplace.

Mr. Jagmeet Singh: In fact, you can't attribute an actual number to the fraud cost in Ontario; is that correct?

Mr. Fred Gorbet: That is correct.

Mr. Jagmeet Singh: You indicated the types of fraud: organized, premeditated and opportunistic.

Mr. Fred Gorbet: Yes, sir.

Mr. Jagmeet Singh: Amongst those three, if you were able to rank those, would you agree with me that organized fraud—you can just rank it however you think which is contributing the most to fraud of those three.

Mr. Fred Gorbet: I really have no basis to rank them but I would guess—and it is a purely personal guess—that a combination of organized and premeditated is more substantial than the opportunistic, and I could not begin to break down the organized versus the premeditated.

Mr. Jagmeet Singh: So in fairness, your answer is an opinion but you can't base that on any concrete or quantitative analysis.

Mr. Fred Gorbet: That is correct.

Mr. Jagmeet Singh: But it's your hunch that it's organized and premeditated. I would have suggested the same thing as well.

In terms of organized, do you know who that is or do you have a sense of where that's happening or a sense of who is involved in that?

Mr. Fred Gorbet: No, I don't. The only information that's available to the task force on that is, from time to time, press reports about enforcement actions.

Mr. Jagmeet Singh: So we're not able to say with certainty who is the organized crime, if it's one particular crime network or if it's in a particular area or region. It's just based on a colloquial knowledge, when a press release comes out that there's a fraud ring that was exposed. That's what you're basing your knowledge on.

Mr. Fred Gorbet: That's correct.

Mr. Jagmeet Singh: And with respect to the premeditated component, what's your sense of what makes up a premeditated component of fraud?

Mr. Fred Gorbet: Again, it's anecdotal. It would be clinics or health care professionals that are billing in a consistent way for activities that were not performed, services that were not performed, for example.

Mr. Jagmeet Singh: Okay.

Mr. Fred Gorbet: There are other examples in the interim report.

Mr. Jagmeet Singh: Thank you. So premeditated would be more related to the clinics and the health care providers.

Again, with the second component, are you able to attribute a particular area—the cost, the number or a quantitative analysis of where that's going on?

Mr. Fred Gorbet: Not yet. We hope to be able to do that.

Mr. Jagmeet Singh: Then the third category, the opportunistic, just by the very nature of it, it requires an actual accident occurring and then there's an overestimate of what happened in that accident. You'd agree with me that, as an individual involved in the task force,

on a commonsense approach that could contribute to a significant component of fraud? Do you agree with that?

Mr. Fred Gorbet: Yes, that would be my hunch.

Mr. Jagmeet Singh: Now, you indicated fraud and its connection to premiums. I just want to question you further on that. Would you agree with me that it's not fraud, it's actually the total cost incurred by an insurance company that's related to the premiums?

Mr. Fred Gorbet: Yes, I agree with that.

Mr. Jagmeet Singh: One component of total cost may be attributed to fraud.

Mr. Fred Gorbet: I agree with that.

Mr. Jagmeet Singh: The rest of the cost equation, would you agree with me that it's substantially different, when you did your analysis from 2006 to 2010, relying on the data that you had—that from 2010 onwards with the change in regulations, there's going to be a significant impact on the amount of costs incurred in terms of claims because of the substantial cutting of those benefits. Do you agree with—

Mr. Fred Gorbet: One would think that that would be the case. I mean, I haven't seen the numbers that would show that, but one would think that that would be the case.

Mr. Jagmeet Singh: Do you have any sense of what the numbers are from 2010, since the change in the regulations, onwards? You did cite some numbers from 2006 to 2010, but from 2010, since the regulations were amended or brought into effect, from that point onwards are you aware of what the costs and the claims are?

Mr. Fred Gorbet: We did look at some of the accident benefit numbers for the first six months of 2011. They tended to show a decrease. We were cautioned that probably it would be wiser to wait for a full year before you could begin to draw hard conclusions from them.

Mr. Jagmeet Singh: And those numbers that you had for the first six months, do you have access to those numbers? Can you provide a sense of what those numbers were?

Mr. Fred Gorbet: I don't have them with me.

Mr. Jagmeet Singh: Would you be able to table those numbers with this committee, if requested?

Mr. Fred Gorbet: I think maybe you should ask FSCO because I think they really come from FSCO.

Mr. Jagmeet Singh: They come from FSCO? Okay.

The Chair (Mr. David Orazietti): Mr. Singh, is there any way to wrap it up at present so we can go and vote? Otherwise we're going to have to—

Mr. Rosario Marchese: A quick question, though, on the whole issue of the \$1.3 billion that the insurance companies say is related to fraud. Did you look at their numbers or their studies to see whether or not it jibes with any of the studies you're doing?

Mr. Fred Gorbet: We did. We looked at some. Some of the support people for the task force looked at some of those studies, and some of the steering committee members looked at some of those studies. What we could find was very dated and used a different methodology than we think is the appropriate methodology now.

Mr. Jagmeet Singh: Sorry; I have a couple of questions but I think it's time. Could I return and ask just one or two quick questions?

The Chair (Mr. David Oraziotti): Okay, briefly. Recess.

The committee recessed from 1502 to 1508.

The Chair (Mr. David Oraziotti): Thanks, folks. If we can resume, that would be great. Mr. Singh, you get the floor, so go ahead. You've got a couple of minutes and let's wrap it up. Go ahead.

Mr. Rosario Marchese: Mr. Gorbet, you wanted to complete the answer to the question.

Mr. Fred Gorbet: We did look at some of the earlier studies. We couldn't find any that we felt were credible and robust. A lot of them were old and they used a method called closed claim counts. They would do a sample of claims and just go through them and extrapolate.

The methodology that is being used now in the research that we're conducting is—at least with regard to organized and premeditated—a much more robust methodology that uses sophisticated data analytics to try to look for connections across different claims. We're quite excited about it. We're reasonably confident although, as I said, we haven't seen the draft of the results yet. We're reasonably confident that it will give us great numbers.

Mr. Rosario Marchese: Very good. Thank you. He's got a quick question for you.

Mr. Jagmeet Singh: Thank you so much, and thank you, Mr. Chair, for this. Just two quick questions.

You indicated a \$400 amount for most of Ontario and then a \$700 amount for—

Mr. Fred Gorbet: It's \$300 for all of Ontario.

Mr. Jagmeet Singh: —\$300 for all of Ontario and \$700 for the GTA.

Mr. Fred Gorbet: Yes.

Mr. Jagmeet Singh: Now, you indicated you couldn't say how much of that was fraud-related. What can you say in terms of the differences between most of Ontario and the GTA that may result in the \$400 difference that's not fraud-related? What other factors could be at play here?

Mr. Fred Gorbet: I really couldn't speculate—I really couldn't. What we've said is that—and we used the different drivers, right? So for the province we used province-wide number of accidents, severity, all that stuff, and for the GTA we used GTA-specific numbers, and we got two separate estimates. The unexplained gap is \$700 in the GTA and \$300 in the province as a whole. So outside the GTA, it's even less. But I can't tell you any more at this point in time. All I can tell you is that it's unexplained.

Mr. Jagmeet Singh: What I meant by that: Would traffic, congestion, urban density, any of those factors—

Mr. Fred Gorbet: No, no, what we used was the number of accidents, the number of individuals hurt, severity of the injuries and price inflation.

Mr. Jagmeet Singh: Okay. That's fine.

The Chair (Mr. David Oraziotti): Thank you very much for your presentation, and we appreciate your patience through the voting as well.

Mr. Fred Gorbet: Thank you, sir, and let me just say that I wish you well with your deliberations. I would be pleased, should you wish, when we have more stuff out, to come back.

The Chair (Mr. David Oraziotti): Thank you very much. Noted.

Mr. Jagmeet Singh: I just had a quick question, Mr. Chair. I noticed that we have a projector. Are we using that projector for anything? It is being used?

The Clerk Pro Tem (Ms. Tamara Pomanski): PowerPoint.

Mr. Jagmeet Singh: Okay, that's fine.

FINANCIAL SERVICES COMMISSION OF ONTARIO

The Chair (Mr. David Oraziotti): Next presentation: Financial Services Commission of Ontario. Mr. Howell and Mr. Golfetto are both here. Good afternoon, gentlemen. Welcome to the Standing Committee on General Government. We appreciate you coming in today. You've got roughly half an hour. I'd ask you to be a little bit flexible on the time and please be as concise as possible so we've got a few minutes for questions. I anticipate the bells may be ringing again, so I apologize in advance if that's the case. Anything you can do to make the presentation brief and concise would be greatly appreciated. Just state your name and you can start.

Mr. Philip Howell: Thank you, Mr. Chair. My name is Philip Howell; I'm the CEO of FSCO. I'd like to also introduce Tom Golfetto, the executive director of the auto insurance division at FSCO. We will share the delivery of this presentation. I believe a slide deck has been distributed?

The Clerk Pro Tem (Ms. Tamara Pomanski): Everything's been distributed.

Mr. Philip Howell: Okay, excellent.

We're very grateful for the opportunity to present to the committee today. Before I begin, I should mention that many of the topics and issues we'll be speaking about are addressed in considerably more detail in our submission, which we have also tabled today. In addition, as I just mentioned, we'll refer to the slide deck.

As current debate on Ontario's auto insurance system is centred primarily around private passenger auto insurance, that will be the focus of today's presentation.

Auto insurance in Ontario is a form of property and casualty insurance. It is a contract that is purchased by owners and drivers of motor vehicles from an insurance company that, in turn, undertakes to compensate those injured in accidents for eligible costs arising from vehicle damage and personal injuries. In addition to providing compensation, the insurer also undertakes to protect the owner and the driver of the vehicle from any legal claims for injuries or damages caused to others.

The auto insurance premiums that drivers pay represent the cost of transferring the risk of loss from themselves to an insurer.

I'd like to stress that the auto insurance product is a product that is designed to give people peace of mind—and people are willing to pay a price for this peace of mind. The vast majority of drivers will never have to make a claim of any kind and even fewer will ever have to make an accident benefits claim.

Auto insurance is mandatory in Ontario and has been since 1980. It is privately delivered in a competitive market. There are over 100 licensed companies in the province. These companies compete for the business of nine million Ontario drivers who drive 6.6 million vehicles.

In Ontario, the auto insurance system is a closed-loop system. In simplest terms, this means that the costs of the insurance system are recovered through premiums charged to drivers. These premiums fund the cost of claims, including the cost of treatment provided to those injured in accidents. Consequently, the more generous the benefit levels, the higher the cost to drivers, the higher the premium levels. In order for auto insurance to be affordable, fairly priced and available, a balance needs to be maintained between price and appropriate coverages for policyholders.

Historically, the reforms of the Ontario system have largely been motivated by the need to maintain this balance, and the need to stabilize rising costs and premiums. The auto insurance system is complex, and there have been several reforms over the past 30-odd years. With each set of changes to the system, there was some initial success in stabilizing costs and premiums, followed by another cycle of rising costs. In addition, the system continues to face challenges associated with fraud and abuse that contribute to rising costs.

Prior to the September 2010 reforms, Ontario saw claims costs increase dramatically while the number of accidents in the province actually decreased. As I will later describe, this experience was not consistent with what was happening in other Canadian jurisdictions. This trend, shown in slide 1, suggests there was considerable abuse of the system.

The reforms announced by the Ontario government in 2009 and implemented in 2010 have addressed rising costs, many of which stemmed from abuse. They've stabilized premiums and have given drivers more options to tailor coverages to their needs. To try and avoid a repeat of past reform cycles, the government continues to focus on improving the auto insurance product in Ontario.

At this point, I would just like to outline the coverages provided in the current system, and they are described in slide 2. They include protection in case of death, injury or property damage sustained to other vehicles; death or injury as a result of a hit-and-run or uninsured driver; and damage to the policyholder's vehicle. A standard policy also includes benefits to cover treatment and rehabilitation bills in case of injury. The current system provides drivers with options for increasing their coverages.

I'd like to talk now about FSCO's role in the auto insurance system. FSCO is assigned the responsibility for providing regulatory services that protect the public interest and promote public confidence in auto insurance. The FSCO Act and the Insurance Act provide the legislative framework for this responsibility.

The decision to amend or undertake any reviews of this legislation of course rests with the government. FSCO's role is to administer the legislation through underwriting rules, rates and risk classification approval processes; an accident benefits dispute resolution system; a market conduct and enforcement regime; and the administration of the motor vehicle accident claims fund. Each of these functions is described in more detail in the paper that we tabled today.

Tom will now provide you with an overview of how the auto insurance product is priced, as well as how underwriting rules and risk classification systems are approved.

Mr. Tom Golfetto: Thank you, Phil. As Phil mentioned, my name is Tom Golfetto. I'm the executive director of the auto insurance division. Thank you, Mr. Chairman, for the opportunity to present at this committee today.

As noted earlier, insurance is a contract that protects consumers financially against a loss. Insurance is priced prospectively—that is, for the coming year—and, therefore, before claims are made and, thus, before claims' costs are fully known.

Insurers and actuaries examine patterns in past claims to estimate future costs. Their goal is to determine what rates to charge a consumer for the policy period to cover claims costs and operating expenses, and to make a profit after taking into account investment income. Based on their actual experience, companies may need to revise their assumptions on prospective costs and future premiums.

Insurers must submit proposed changes to their rates to FSCO for approval. FSCO reviews rate filings, analyzing the data supporting the insurer's actuarial assumptions, to ensure that the proposed rate changes are adequate to maintain the financial solvency of insurers without being excessive.

Where FSCO finds that the assumptions are not reasonable based on the data, insurers are asked to modify their rate filings prior to approval. Failure to modify a rate filing would result in approval not being granted. In practice, companies may file for rates that are too high or too low according to their actuaries' rate indication. The latter can occur when companies strive to remain competitive or to minimize the impact of rate increases for their customers. FSCO ensures that rates approved are neither excessive nor going to impair a company's long-term financial solvency.

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Companies do need to earn a return on capital invested. Return on equity—or ROE, as it's known—is one factor that is considered in reviewing the reasonableness of rates proposed, and an ROE benchmark of 12% is used

in this process. The Auditor General's 2011 report recommended that FSCO review what constitutes a reasonable level for profit when approving rates. FSCO agrees with this recommendation and will conduct a review this year.

I'm going to talk briefly now about the approvals process for auto insurance underwriting rules. The Insurance Act sets out authority for FSCO to regulate insurers by approving insurers' underwriting rules. Companies must file their underwriting rules with FSCO. These are the rules that insurance companies use to determine the risks that they may not accept. Regulations under the Insurance Act define the criteria that cannot be used to deny auto insurance coverage; for example, not-at-fault claims. Specifically, underwriting rules may not be subjective, be arbitrary, be contrary to public policy or bear little relationship to the risk.

So let's now look at how individual rates are set. It's important to understand that consumers are not all charged the same rate for auto insurance. Premiums vary based on the individual consumer's risk characteristics. The mechanism for determining rates is an insurance risk classification system. Risk classification systems set out the factors that an insurer will use when setting the price they charge for auto insurance. They group risks with similar characteristics and expected claims costs.

Under the Insurance Act, risk classification systems must be just and reasonable, reasonably predictive of risk and distinguish fairly between the risks.

Risk classification systems include territories, which I'll speak about in a moment.

Similar to underwriting rules, regulations impose restrictions on what factors an insurer cannot consider when calculating a driver's auto insurance rates. For example, credit history cannot be used to calculate a driver's rate.

Auto insurance rates are determined by a combination of factors, called a risk classification system, including the driver's personal profile, the amount of coverages that they're purchasing, the deductible that's selected and the location.

Actuarial principles require that the rates reflect costs. Claims costs vary across the province, as do rates.

Risk classification systems include the driving record of the various drivers of the vehicle, where the person lives, the completion of a driver training course, how much a person drives, the age and numbers of years licensed, the vehicle use and the vehicle type.

Other factors affecting rates include the amount of additional optional coverages purchased and the level of deductibles selected for certain coverages.

As I mentioned, auto insurance rates are affected by where a person lives. Territorial rating recognizes that all vehicles within a given territory share similar risk posed by factors such as traffic density, terrain, road conditions, weather and crime rates. Each company establishes its own territories based on its data and market information. To establish a territory, insurance companies must provide actuarial evidence to FSCO demonstrating that

claims costs are higher or lower in the proposed territory than in other existing territories. As the auto insurance system has evolved and populations have increased, insurance companies have expanded the number of territories to better reflect risk and claims experience.

To ensure that a territory rating is conducted fairly, FSCO guidelines allow for no more than 55 territories in Ontario and no more than 10 in Toronto, a minimum of 2,500 vehicles in each territory, contiguous territories only and rate changes of no more than 10% from an existing territory when establishing a new one.

Now I'll turn it back over to Phil to continue with the presentation.

Mr. Philip Howell: Thanks, Tom.

Ontario's auto insurance system is expensive and it's complex. To understand why this is, it's important to know how the system has evolved over time. Changes made over the years have added levels of complexity, created unintended financial incentives for its participants and, in my view, resulted in some participants in the system losing sight of what auto insurance is intended to do.

As noted earlier, in 1980 auto insurance became mandatory in Ontario. Vehicle owners previously had the option of buying insurance or self-insuring by paying a fee into the motor vehicle accident claims fund. The fund would pay claims when an at-fault driver was unable to fully compensate a not-at-fault person injured in an accident. Often, those injured in accidents had to go to court to determine who was at fault in the accident and get compensation to pay for medical treatment, as well as the damage or loss of their vehicle.

The growing costs of the fund, as well as the increasing number of uninsured vehicles, led the government to make auto insurance mandatory. From 1979 to 1990, Ontario relied primarily on a court-based or tort system of compensation while providing minimal no-fault accident benefits to those injured in accidents. In many cases, those benefits did not cover the cost of basic necessary medical treatment or provide for adequate income replacement when injuries kept people out of work.

To access additional funds, those injured in accidents had to sue at-fault drivers. However, court awards or settlements took a long time to complete, putting financial pressure on not-at-fault drivers. Similarly, in many cases at-fault drivers had inadequate coverages to recover properly when they were injured.

Faced with this situation, the government expanded Ontario's no-fault system in 1990. This change meant that all insured drivers had access to a comprehensive accident benefits package, regardless of fault. In exchange for higher no-fault accident benefits, the government restricted the ability to sue at-fault drivers. These changes were designed to balance price and appropriate levels of coverage.

Also in 1990, the government introduced an approvals process for rate and risk classification systems. The goal was to ensure that the premiums charged reflected the costs of auto insurance.

Since 1990, Ontario's auto insurance system has undergone several sets of reforms. A common characteristic of these reforms has been a period of premium stability followed by rising costs and rising premiums. The reforms also added levels of complexity to the system and, unfortunately, often created more opportunities for abuse. And they created what is, and what has been for years, the most generous accident benefit system of all provinces with privately delivered auto insurance in Canada.

Rising costs and premiums led to the reforms that were brought in by the government on September 1, 2010. Those reforms responded to a number of troubling trends that emerged between 2006 and 2010. These are illustrated in the graphs that appear on your slides. As shown in slide 3, between 2006 and 2010 claims costs in Ontario increased by \$3 billion, and during this period the cost of an average claim increased 43%.

As noted in the Auditor General's 2011 report, in 2010 the average injury claim in Ontario was about \$56,000. This was almost five times more than the average injury claim in most other provinces and contributed to much higher premiums for Ontario drivers compared to those paid by drivers in other provinces. Accident benefits costs, the primary driver behind these increases, skyrocketed by 118%. This is illustrated in slide 4. The graph on slide 5 shows accident benefit costs in Ontario growing more rapidly here than in other provinces.

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Notable is that a huge portion of these costs were for examinations and assessments, activities that do not involve treatment for those injured in accidents. Between 2006 and 2010, examination and assessment costs increased by 228%. Without the September 2010 reforms, the cost of assessing those injured in accidents likely would have surpassed the cost of treating them by 2011. Most concerning of all, though, was the disconnect between increasing costs and personal injury accident trends.

As I noted earlier, while costs were increasing, the number of accidents actually decreased. From 2006 to 2009—the latest data available—personal injury collisions reported to the Ministry of Transportation went down by over 7%. At the same time, the number of claims for accident benefits made to insurers increased by almost 20%. Similarly, slide 6 shows that while accident benefit costs increased, the costs of repairing and replacing damaged vehicles remained relatively stable. And from 2006 to 2010, the total claims costs for collisions and comprehensive coverages actually dropped.

The most dramatic increase in costs occurred in the GTA, where less than half of all accidents involving injuries occurred. As illustrated on slide 7, from 2006 to 2010 accident benefits costs in the GTA increased by 169%—this despite there being no evidence that injuries sustained in the GTA are more severe than in other parts of the province. It's therefore not surprising that premiums are higher in the GTA than elsewhere in Ontario.

The cost increases and, consequently, premium increases in the years prior to the 2010 reform stem from

the overutilization of accident benefits. Key factors contributing to the overutilization included some private health care practitioners providing services in the auto insurance system without due regard to outcome-based treatment results for injured parties, participants who use the system to their financial advantage, inadequate claims management processes by companies, and outright fraud.

Currently, there are over 8,000 health care clinics treating those injured in motor vehicle accidents in Ontario. There are close to 29,000 health care providers authorized to treat those injured in accidents in Ontario; over 15,000 of these are members of regulated health care professions. However, the latest Ministry of Transportation data shows only about 62,500 people injured, the vast majority of whom suffer only minor issues, such as soft-tissue injuries, and recover quickly. As noted earlier in my remarks, the number of personal injury collisions has actually been trending down and decreasing.

Prior to the September 2010 reforms, many health care participants were able to bill insurers for all sorts of treatments and assessments, with few limits. Available data suggest that some participants took advantage of the lack of controls and caps. For example, one month prior to the introduction of the reforms, health care providers flooded insurers with over 205,000 claims forms. In my view, this surge was motivated by the knowledge that easy access to payments would soon disappear. Today, under 84,000 claims forms are being submitted per month. This trend is shown on slide 8.

Insurers bear some responsibility for overutilization in the system, particularly when it comes to claims management. To deal with the volume of claims they were receiving before the reforms, some insurers would simply approve requests for assessments without verifying whether they were necessary. These extra costs were passed on to consumers through premium increases. Legal and paralegal representatives also stepped up their activity; evidence is provided by the dramatic increase in claims being disputed in the dispute resolution process at FSCO. In 2006, FSCO received just over 13,000 requests for mediation. In 2010, we received over double that number. Looking at those numbers, one would think that between 2006 and 2010 there was a huge spike in Ontario accidents and that a large number of these accidents involved serious injuries. But as earlier slides indicated, the data for this time period tells a much different story.

Also of note is the fact that approximately 80% of these dispute resolution applications originated in the GTA, though only 45% of accidents involving injuries occurred there. There is no evidence that injuries sustained in the GTA collisions are more severe than in other parts of the province.

The September 2010 reforms have tackled many of the problems and issues that I've spoken about. Early indications show that the reforms are working. Premiums are stabilizing. During the first quarter of 2012, premiums actually declined an average of 0.18%.

Since the September 2010 reforms, the government has introduced several new measures. The 2011 and 2012

Ontario budgets contained announcements about auto insurance. This focus appears to be motivated by a desire to avoid a repeat of past cycles, where rapidly rising costs and premiums followed a period of rate stability.

Several of these measures reflect an outcome-based approach to treatment for those injured in accidents—an approach that is based on current medical science. Current medical science recognizes the risks of over-treatment to successful patient outcomes for soft-tissue injuries. A new evidence-based minor-injury treatment protocol is being developed by medical experts as part of the current reforms. The new protocol will provide a medical outcome-based approach to treating soft-tissue issues, with the objective being to get people better as soon as possible and back to normal life.

As noted earlier, the vast majority of injuries sustained in motor vehicle accidents are minor, but a small percentage of accidents each year are more serious. The government's 2010 reforms included a commitment to ensure that those who are most seriously injured in accidents are treated appropriately. The government directed FSCO to consult with the medical community on the definition of "catastrophic impairment" as set out in the SABS regulation. It also directed FSCO to consult with the medical community on the qualifications and experience requirements for health care participants who conduct catastrophic-impairment assessments.

An expert medical panel was formed in 2010 to review the definition. The expert panel delivered its reports in 2011, and these were posted on our website and followed by extensive consultations. Following those consultations, I submitted a report to the Minister of Finance with recommendations. The 2012 Ontario budget indicated that this report would be made public and also announced that the government would move forward to propose regulatory amendments to the definition of catastrophic impairment.

Also in the 2012 Ontario budget, the government announced that it would undertake a review of the auto insurance dispute resolution system. In 2011, the government appointed an auto insurance anti-fraud task force, the chair of which you have just heard from. As he noted, the task force is expected to release a report with recommendations later this year.

The Chair (Mr. David Oraziotti): Mr. Howell, just so you know, you've got about another minute, so I would ask you to try to—

Mr. Philip Howell: I've got less than half a page.

The Chair (Mr. David Oraziotti): Okay.

Mr. Philip Howell: Next year, another five-year review of Ontario's auto insurance system will be undertaken by FSCO.

I'd like to end by emphasizing once again that auto insurance is a product that is designed to give people peace of mind, and peace of mind for which people are willing to pay a premium. Most drivers will never have to make a claim; even fewer will have to make an accident benefits claim. The insurance must balance price and appropriate levels of coverage. Above all, it's a system

that needs to be focused on the best interests of the driving public. All participants in the system have an important role to play in keeping the auto insurance system healthy by maintaining that focus.

Thank you, Mr. Chair, and we look forward to questions.

1540

The Chair (Mr. David Oraziotti): Thank you very much for your presentation. So we have a concern about starting—what's the request?

Interjection.

The Chair (Mr. David Oraziotti): It's up to the Conservative caucus.

Mr. Rosario Marchese: What I was asking was that we start the rotation with the Liberals, so we continue.

Mr. Michael Coteau: Wouldn't it go to the Conservatives now and wrap around this way? I think it's a fair process.

The Chair (Mr. David Oraziotti): It normally starts that way. The request was made—

Mr. Rosario Marchese: The request that I was making was that we would start the rotation with the Liberals and we'd just go the other way.

The Chair (Mr. David Oraziotti): I understand; I hear the request. It's up to the Conservatives whether or not they want to ask the questions now or wait.

It's your turn to ask questions.

Mr. Jeff Yurek: That's fine; I'll start.

The Chair (Mr. David Oraziotti): Mr. Yurek, go ahead.

Mr. Jeff Yurek: Thank you, Chair.

Thanks for showing up and giving us your report. I just have a few questions.

I guess we'll start with the "catastrophic" report; you said you've made a report to the Minister of Finance with recommendations. Do you have a copy of that report that you could give the committee?

Mr. Philip Howell: No. The report was submitted to the minister; it's the minister's report. He's announced in the budget that it would be released.

Mr. Jeff Yurek: So he's ready to make regulatory changes but he's not releasing the report? Do you think this committee would be—

Mr. Philip Howell: That's a question for you to ask the minister.

Mr. Jeff Yurek: —a good spot to discuss those changes?

With regard to costs in the system, would changes to the territory ratings or giving new drivers a credit affect costs in the insurance system? Aside from premiums, would that affect costs in the whole insurance industry?

Mr. Philip Howell: You can't actually separate costs from premiums, because anything that's a cost is going to be translated to a premium.

Mr. Jeff Yurek: So accident claim costs: Would they be affected by changing territory ratings or in fact giving new drivers a credit on their insurance?

Mr. Philip Howell: Accident claims costs will be determined by the number of accidents that happen and

the benefits that are available to access under the system. Those are independent of territory.

Mr. Jeff Yurek: Claims cost are independent.

Mr. Philip Howell: The issue, I think, around the territory is going to speak to how much individual drivers pay for their own premiums.

Mr. Jeff Yurek: So the total cost stays the same?

Mr. Philip Howell: Total cost is going to be determined by the number of accidents that happen and the amount of dollars that are paid out in the claims to settle those accidents.

Mr. Jeff Yurek: Now, Brampton—I had a figure here that if you add up all the claims costs, 20% of the population would have made a medical claim. Would they have higher rates, then, if their claims costs are higher than the rest of Ontario? Would they have higher premiums?

Mr. Philip Howell: Yes, there is a link between claims accidents and claims costs. So drivers in a certain territory—and as noted by Tom in his comments, these are not singling out individual people. The territories are quite big in terms of the number of drivers that are covered. But if a particular territory is generating a large and high amount of cost, the drivers in that territory are going to see that reflected in their premiums.

Mr. Jeff Yurek: Thank you.

Back to the Auditor General's report on mediation: It's supposed to take within 60 days to go through the process and it's now up to a year.

Mr. Philip Howell: Right.

Mr. Jeff Yurek: What steps have you taken to help ease that backlog?

Mr. Philip Howell: There are a number of steps, and actually I'm going to ask Tom to answer that question. I'll just note that he can talk about the steps that we've taken internally at FSCO to improve productivity, and we've had some good results. In addition, as noted in my remarks, the government is undertaking a review of the whole DR system later this year.

Mr. Tom Golfetto: As Phil mentioned in his remarks, the number of mediations that we received in 2006 was around 13,000, and in 2010 it was almost double that. In fact, in 2011 we received 36,000 cases for mediation. That is actually almost triple the number of mediations that we received in 2006.

So we've undertaken a number of initiatives over the past several years to try to improve the productivity and reduce that backlog. In fact, between 2006 and around 2010, we increased the productivity of our mediators—that is to say, the number of cases that we've been able to close through mediation—by about 50%.

I expect that number will increase in 2012 because of some of the initiatives that we have undertaken more recently. One of those is, in addition to the regular workload that a mediator might handle, we have set up something that's known as blitz settlement mediation days. The purpose behind this is to get insurance companies and applicants and their representatives that have a lot of files in common to come to FSCO one day per

week, usually on a Friday, and go through a number of cases—significantly more than they would normally be able to do, so they might bring 50 or 60 files that they have in common—and we provide them with mediation rooms and a mediator. The purpose of that is to try to improve our productivity and get as many cases out the door as we can in one day. We've been fairly successful in that, in that we've conducted mediations in this manner of over 1,000 cases already, which has improved our productivity. So that is one thing that we have done.

Another thing that we have done is we've sent out letters to insurance companies and their representatives prior to their case being assigned to a mediator. The letter asks really two questions.

The first question it asks is, "Has this case already settled?" because, as has been noted, there is a backlog of mediation and therefore there's a fair amount of time that has passed between the time we've received the mediation application and when we've actually been able to assign it to a mediator. During that time, a lot of things can happen, and one of the things that can happen is that the case can settle but FSCO hasn't been notified about it. So we've been able to, with this letter, identify cases that have been previously settled that we can take out of the system.

Secondly, the letter asks whether the parties themselves consent to fail the mediation because there's no point in doing the mediation: Both parties agree that mediation will be unsuccessful; both parties have already tried to settle and there's no way they can. If both parties do agree and fill out a form and send it to us, we will do a quick paper review of the case to ensure that the best efforts have been made to settle the case, and then actually issue a report of mediator to allow the parties to move on.

The third thing that we have done, and perhaps the most effective so far, is we've implemented an electronic calendarization system. In the past, mediators were responsible for scheduling their own mediations, and so what would happen is they would make various calls to either side and actually waste a fair amount of time trying to schedule the mediations. So now what we've done is we've put an electronic calendar on our website where the parties themselves can go and pick a mutually convenient time to do the mediation. The parties pick the time and we provide a mediator.

This became mandatory in February; we started the pilot last July. This has resulted in a significant increase in the number of mediations that we can do, because, frankly, we looked at our business and we decided that our core business was actually doing the mediations, not scheduling the mediations. So that has resulted in a significant increase in the number of mediations that we're able to assign to a mediator.

The Chair (Mr. David Oraziotti): Sorry; I'm going to stop you there. I think Mr. Yurek just has one more quick question.

Mr. Tom Golfetto: I do have one more thing to say about what we have done, if I might, because it's very important.

The Chair (Mr. David Orazietti): All right.

Mr. Tom Golfetto: We issued recently an RFP for the contracting out of mediation services to assist with reducing the backlog.

The Chair (Mr. David Orazietti): Okay, fair enough.

Mr. Jeff Yurek: Sorry, just a quick question. I understand you have few investigators to actually investigate fraud, so I'm assuming you don't have the resources necessary to tackle how big an issue it is in Ontario. Just further to that question, how are you using the HCAI information to track and monitor fraud, if at all?

Mr. Philip Howell: There are a number of elements there. We do have investigators as part of FSCO and we do regulate more than auto insurance. However, fraud is a criminal activity, so it has to be pursued, and the laying of criminal charges and so on has to be pursued, through the policing system. We do have some limited authorities, and there are proposals contained in the latest budget, and as you heard from Mr. Gorbet, suggestions that we should perhaps have some enhanced authorities that are being considered to give us more opportunity to deal with abuses in the system.

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As well, our investigators do work very closely with other police forces and with the Insurance Bureau of Canada in terms of sharing information and coordinating prosecutions. Our ability to lay charges is under the Provincial Offences Act. If some of the proposals that are being proposed are passed, we'll have an enhanced ability to deal with a wide variety of market conduct and behaviour issues both on the part of companies and on the part of providers in the health care system.

The Chair (Mr. David Orazietti): I'm going to stop you there. We need to move on.

Mr. Singh, go ahead with questions.

Mr. Jagmeet Singh: Sir, in terms of criteria that can be used in assessing an individual, can status in Canada be used as a risk factor?

Mr. Philip Howell: No.

Mr. Jagmeet Singh: Can income level be used as a risk factor?

Mr. Philip Howell: Tom is in charge of underwriting.

Mr. Tom Golfetto: Are you referring to the risk classifications?

Mr. Jagmeet Singh: Yes. Can income level be used as a risk classification?

Mr. Tom Golfetto: No.

Mr. Jagmeet Singh: Can years of residence in Canada be used as a risk classification factor?

Mr. Tom Golfetto: No. The elements that cannot be used are, as an example, income level, employment status, occupation, credit rating, home ownership, the existence of potential collateral source benefits you might have through another insurance party and not-at-fault accidents.

Mr. Jagmeet Singh: Thank you very much.

I'm going to ask you some questions now about the automobile insurance territorial rating update. I under-

stand that 55 territories can be created in the province of Ontario and 10 in Toronto. Is that correct?

Mr. Tom Golfetto: That is correct.

Mr. Jagmeet Singh: So that's means 45 can be created outside of Toronto. Is that correct?

Mr. Tom Golfetto: Yes, that is correct. That's the maximum number.

Mr. Jagmeet Singh: Thank you. This is a portion of the bulletin. It reads, "One of the concerns from a public policy perspective is that if a territory is based on a small geographical area, even though densely populated, socio-economic factors may be influencing loss costs. In addition, drivers may operate their vehicles all over the city, so narrowly defined territories may not be logical. A limit on the number of territories that may be proposed is reasonable and would minimize rate differences due to socio-economic factors."

I just quoted that portion.

Please confirm that two public policy objectives of this bulletin include that territorial definitions not be rooted in socio-economic factors of the drivers in the territories, and that it doesn't make sense to have small, neighbourhood-based territories.

Mr. Tom Golfetto: In answer to your first question, yes, that's right. Socio-economic cannot be used.

Mr. Jagmeet Singh: Okay.

Mr. Tom Golfetto: Could you please repeat the second question, because I didn't quite get it.

Mr. Jagmeet Singh: For example, in the GTA, if you're likely to drive all over the GTA, does it make sense to have small, neighbourhood-based territories?

Mr. Tom Golfetto: Territories aren't small and neighbourhood-based, although I do understand your point about densely populated areas that could have 2,500 risks. That is the minimum amount that can be used for the definition of a territory by an insurer.

Mr. Jagmeet Singh: Okay. I'll move on to my next question. There's a component that requires contiguous territories. Are you familiar with that?

Mr. Tom Golfetto: That's right.

Mr. Jagmeet Singh: The bulletin reads as follows: "In addition, there is the concern that territories that are based on non-contiguous geographical areas could lead to 'red-lining.'" So is it fair to say that the territory guidelines are to prevent red-lining? Is that correct?

Mr. Tom Golfetto: That is correct.

Mr. Philip Howell: That is correct. Are you reading from the 2005 bulletin or the—

Mr. Jagmeet Singh: Yes, the January 31, 2005, bulletin.

Mr. Philip Howell: Okay.

Mr. Jagmeet Singh: There's a section in that bulletin that indicates that the rate differentials for adjoining territories were initially capped at 10%. You allowed it to evolve over time. I assume it evolves upward. Can you tell me what a typical rate differential for adjoining territories is now in the city of Toronto, if the 10% is no longer accurate?

Mr. Philip Howell: I think we'd have to get back to the committee with that detail.

Mr. Jagmeet Singh: Okay. Would you commit to—

Mr. Philip Howell: We'll see if we can, yes.

Mr. Jagmeet Singh: Okay. What does a typical territory look like in the city of Toronto, just roughly, in terms of how wide east-west and how long north-south?

Mr. Philip Howell: It varies. It's important to understand: Each company—

Mr. Jagmeet Singh: —has its own territories.

Mr. Philip Howell: —can have its own territories. They're not single—

Mr. Jagmeet Singh: Uniform.

Mr. Philip Howell: Yeah, they're not at all uniform. And by the way, not every company needs to have 55 territories; they can have less if they wish, and similarly in Toronto.

As I say, there are 100 companies operating. Realistically, 25 companies account for the market, but you can figure, with a minimum of 2,500 risks in a territory, it's not going to be like a two-block area or something like that; it's going to be a subset of the GTA.

I'm not sure it's possible to answer that question, because each company—

Mr. Jagmeet Singh: —is completely different.

Mr. Philip Howell: —in the GTA can create up to their own 10 territories.

Mr. Jagmeet Singh: Fair enough. I'm going to ask you some questions just about the recent changes that came into effect since September 30, 2010. There were significant changes that were made. Has this impacted the profitability of the companies? The underwriting profitability: Has it increased in terms of the companies that you monitor?

Mr. Philip Howell: We are not engaged in the solvency regulation of the companies. That's the responsibility of OSFI, because they're federally incorporated companies.

I think, though, I will make one comment, which is that the system is a dynamic system. People are always looking for ways to access the system and see what benefits can be paid out. Even if everyone was playing completely above board, there's still going to be variability over time for a specific company's individual results at a point in time, because accidents are accidents. They could be hit with a couple of catastrophic accidents during that period. So that's going to affect a company's financial reporting.

But there isn't really a direct—you can't directly link reforms that are made in September 2010, first of all, which wouldn't have been fully in place until September 2011, because not everyone renews their policies on the same day each year. And then there's also the fact that claims costs play out over several years—

Mr. Jagmeet Singh: That's fair. Just a couple of quick questions, then: Do you have access to the figures in terms of the claims costs and what they are for 2011?

Mr. Philip Howell: No, we don't have full-year 2011 data yet.

Mr. Jagmeet Singh: Do you have partial—

Mr. Philip Howell: There is data that will be collected by the General Insurance Statistical Agency, which would probably be August or September, I think, when that would be available.

Mr. Jagmeet Singh: What data do you have as of now, and can you table that—

Mr. Philip Howell: We don't have 2011 data for the whole year.

Mr. Jagmeet Singh: Any data whatsoever? Or do you have partial data?

Mr. Philip Howell: There is data that anyone can access from GISA—some of which you have to pay a fee for, but it's accessible—that can give you some explanation of trends.

Mr. Jagmeet Singh: And do you have any specific data that FSCO maintains, that you can release to this committee?

Mr. Philip Howell: We don't maintain specific data on the financial performance of individual companies.

Mr. Jagmeet Singh: What about claims costs?

The Chair (Mr. David Oraziotti): I'm going to need you to—

Mr. Philip Howell: Sorry?

The Chair (Mr. David Oraziotti): I need you to try to wrap it up, here.

Mr. Jagmeet Singh: Sure. And what about claims costs for 2011? Do you have—

Mr. Philip Howell: This will be in the data that will be available later in August or September.

Mr. Jagmeet Singh: And do you have partial data that's available now? For example, first quarter, second quarter—

Mr. Philip Howell: There is some data from the first half of 2011 that's available, but it's fairly incomplete in terms of being useful for assessing the reforms, because you really don't have the experience yet of a full year of the reforms.

Mr. Jagmeet Singh: That's fine.

Mr. Philip Howell: That's why the data that will be available in August or September will actually be the first data on claims performance that can meaningfully be used.

Mr. Jagmeet Singh: Can you table that data? Whether it's meaningful or not, can you table that data that you do have? Yes?

Mr. Philip Howell: Tom?

Mr. Tom Golfetto: I guess that would be when the data is available—

Interjection.

Mr. Tom Golfetto: The first half?

Mr. Philip Howell: I'll look into that, yeah.

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The Chair (Mr. David Oraziotti): Mr. Marchese, if you want to ask questions, you have about 30 seconds. We'll move on. So, 30 seconds: Make it quick.

Mr. Rosario Marchese: Very good. I have a quick question. The Auditor General, in the 2011 report, recommended that FSCO review what constitutes a

reasonable level of profit, and you agree with that. The rates were set in 1996 by your department, your office. Have you ever thought of reviewing that on your own without having to agree with the Auditor General that maybe it's a good time to do it?

Mr. Philip Howell: It has been noted in the past in FSCO's statement of priorities. It was noted the year before the auditor's recommendation, yes.

Mr. Rosario Marchese: It was noted, meaning you were going to conduct a review yourselves?

Mr. Philip Howell: It has been noted that a review should be undertaken, yes.

Mr. Rosario Marchese: But you never did.

Mr. Philip Howell: It was not undertaken, primarily because of the amount of work we were engaged in implementing the 2010 report, so it was not undertaken that year.

Mr. Rosario Marchese: Okay. The rate approval process in Alberta includes public hearings. Do you think that's a good idea, if we had that here?

Mr. Philip Howell: I can't comment on their system. It's a different system.

Mr. Rosario Marchese: It's a private-delivery jurisdiction; I understand.

Mr. Philip Howell: Private delivery, yeah.

Mr. Rosario Marchese: Do you think it's a good idea, or you don't want to comment on it, in terms of public hearings on establishing the rate?

Mr. Philip Howell: I think we have a system that's in place that's defined in the legislation and regulations for how approvals are made in Ontario.

The Chair (Mr. David Orazietti): Thank you; that's time.

Mr. Philip Howell: Currently, I'm quite comfortable with that system. If the government directed otherwise, we'd have to consider it.

The Chair (Mr. David Orazietti): Mr. Howell, that's it. That's enough. Thanks.

Mr. Yasir Naqvi: Thank you, Chair. I've been waiting for my turn.

Mr. Howell, Mr. Golfetto, thank you very much for your presentation. Thank you very much for providing a pretty in-depth primer. I know it's a very complicated system, but it's a good primer in terms of how the system works.

I'm going to ask one question on the issue around profitability or the return on equity that we were talking about, and then I'll get into talking a little bit more about the insurance rates and premiums. On ROE, you, in your presentation, on page 7, mention a benchmark of 12%. There is a perception out there that insurance companies are guaranteed 12% profit. Are benchmark guarantees the same thing, or what's the difference here?

Mr. Philip Howell: No, absolutely not. As Tom mentioned earlier, the rate-setting process is a prospective one. It's a process in which companies, in determining the rates they are going to require in a period going forward, need to assess both their estimate of current claims costs, which will include costs maturing from

earlier accidents' years—so they'll look at the accident-loss trend. It will also include, in terms of determining the amount of rate that they're going to need or amount of premium, their estimate of expenses in terms of delivering the product. It will also include a return on the capital that's invested in the business.

Let's remember that Ontario auto insurance, for many of these companies, is a relatively small portion of their business. The Ontario auto part is competing with other business opportunities in other parts of Canada and other parts of the world for rate of return. So the company will always—they have to, in order to do the actuarial estimates of the needed rate—include some measure for return on invested capital.

The 12%, as Mr. Marchese noted, was established a number of years ago and has been in use since then. We published that as a benchmark and look to companies to ensure, in their rate application, that they have actually taken account of return on capital. The last thing that we want is companies not taking account of return on capital and going out of business, because ultimately, the more companies that are financially viable and offering insurance, the better it's going to be for the drivers in the province and for holding rates down.

Having said that, the 12% is certainly not guaranteed, and it has been many years since companies have generated a 12% rate of return on their equity in the auto product in Ontario.

Mr. Yasir Naqvi: So you are going to be reviewing that benchmark, I think, that you indicated—

Mr. Philip Howell: We are going to be reviewing the benchmark. I should probably also note that in the other provinces that have privately delivered auto, the benchmark that's used ranges from 10% to 14%. So, depending on the jurisdiction—the 12% does deserve to be reviewed, I think, given what has happened to cost-of-capital trends and interest rates over time. It's certainly not relevant, as some have done in the press in response to the auditor's report, to compare that benchmark to the cost of the Ontario government borrowing funds internationally. That's completely irrelevant in terms of a price of capital for a private business.

Mr. Yasir Naqvi: Okay. I want to talk to you a little bit about insurance rates and premiums. I preface my line of questioning by saying that it might come as a surprise to some people that there is more to this province than the greater Toronto area, and I for one would like to recognize that, coming from Ottawa. So I think we need to have a conversation around what happens in the rest of the province as well as and opposed to just in Toronto, because it's important.

When we're talking about territories, if we remove territories as a ratings factor, what would happen to rates across the province?

Mr. Philip Howell: What would happen to rates across the province is that the total amount of money raised would stay the same. The amount paid by individuals would vary dramatically, depending on where you live. The rates for drivers in Toronto would drop sig-

nificantly. The rates for people in other parts of the province would rise dramatically.

Mr. Yasir Naqvi: So rates in other parts of the province will rise dramatically.

Mr. Philip Howell: If there was a single territory.

Mr. Yasir Naqvi: Do you have any sense of—

Mr. Philip Howell: And that's arithmetic, right? I mean, the costs are determined by the number of the accidents and the administration costs of delivering the insurance. So the total is going to stay the same.

Mr. Yasir Naqvi: So the rest of the province will pay for the sins in Toronto.

Do you have any sense of what kind of differential we're talking about, what kind of variable? What will happen in the north? What will happen in eastern Ontario, in my part of the world? What kind of rates increases are we talking about in—

Mr. Philip Howell: I think in the north and eastern Ontario, they'd be dramatic. I don't—

Mr. Yasir Naqvi: Over a 10%, over a 20%, over a 30% increase?

Mr. Philip Howell: Oh, I would think well over 10%. They'd be quite dramatic. I don't want to be pinned down to a specific number out of context, but again, the arithmetic ensures that that would happen.

Toronto: You mentioned that the population density is much greater, and there are a lot of people in Toronto who are paying high premiums because of the higher claims costs that are generated here. That means that a large volume of that overall number is accounted for by Ontario people. So if their premiums are going to come down dramatically, that has to be dispersed over many fewer people in the rest of the province, where population density is less. Consequently, there will be reductions for people living in Toronto, but dramatic increases for people living in other parts of the province.

Mr. Yasir Naqvi: And you think at least 10%—

Mr. Philip Howell: Oh, at least. And again, it's going to depend from territory to territory, from company to company and individual to individual, which is one reason that I'm reluctant to be pinned down. But again, the arithmetic shows that that would be the case.

Mr. Yasir Naqvi: Mr. Howell, it's my understanding that Bill 45 imposes a rating structure that has a Statistics Canada population measure as a rating variable that is ranked fourth in order. It has been claimed that this measure will help save, for example, the north from the debilitating effects of this particular bill. Do you find the claim to be accurate at all, especially given the overly simplistic and unworkable rating structure that it's placed in?

Mr. Philip Howell: What I will say is that I think the use of that as a rating variable is getting away from what the Insurance Act is looking for in terms of rating variables, i.e., that they be predictive, or reasonably predictive, of risk. That type of a measure is arbitrary in the context of determining risk, so it's inconsistent with the Insurance Act, as it's currently written. That, of

course, doesn't mean the Insurance Act couldn't be changed and amended.

I think perhaps, again, more importantly, as a factor that determines the chance of accidents and so on, it is true that density does matter, but population in and of itself is not really a risk factor in the sense that the Insurance Act contemplates.

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Mr. Yasir Naqvi: So let me ask you this: What are the consequences of moving away from a system designed around risk?

Mr. Philip Howell: Well, it stops being insurance, for one thing, and it becomes arbitrary. Essentially, you're into a system where you are just setting prices that don't bear a relationship to what's driving the cost. In other words, it's going to—it becomes arbitrary.

We should be clear about this: All insurance does involve some degree of cross-subsidization; that's the essence of pooling risk. That's what insurance is. But if you take it to the extreme in a large area that has all kinds of risk factors, which Ontario does, that have to do with climate, density of roads, number of roads, types of vehicles used, all that kind of stuff, and just sort of throw that out—

The Chair (Mr. David Oraziotti): Mr. Naqvi, I need you to wrap up.

Mr. Philip Howell: —you're going to be disconnecting the pricing of the product from the things that cause the risk.

Mr. Yasir Naqvi: I have one last question.

The Chair (Mr. David Oraziotti): Very briefly.

Mr. Yasir Naqvi: A very brief question. I don't know if you've seen the comments that Mothers Against Drunk Driving, MADD, have made in regards to Bill 45. Basically, they said that the bill punishes responsible drivers and rewards dangerous drivers and will increase the risk to Ontario road users. In your analysis of Bill 45, do you agree with that statement made by MADD Canada?

Mr. Philip Howell: I don't think it's appropriate for me to comment on that opinion. And by the way, just so it's clear, I think the analysis of Bill 45 and so on is the responsibility of the legislators and the government. As I indicated in my remarks, we operate within a regulatory environment. If the Legislature passed that, we'd have to figure out a way to deal with it.

What I will say unequivocally is that in a single-territory type of system or a two- or three-territory type of system, there will be really, really large increases for some people in their insurance premiums in parts of the province outside of the GTA.

The Chair (Mr. David Oraziotti): Thank you for your time today and thank you for your presentation.

Next presentation—

Mr. Jagmeet Singh: Mr. Chair, this is a document I wanted to table anyways; I'll just table it now. I would gladly give one to the presenters. I have copies for everybody.

The Chair (Mr. David Oraziotti): Okay. The clerk will circulate those.

**COALITION REPRESENTING
REGULATED HEALTH PROFESSIONALS
IN AUTOMOBILE INSURANCE REFORM**

The Chair (Mr. David Oraziotti): Okay folks, moving right along, the next presentation is the Coalition Representing Regulated Health Professionals in Automobile Insurance Reform. Come on up. Good afternoon. Welcome to the Standing Committee on General Government. You've got 10 minutes for your presentation.

Just a reminder to members of the committee: If we're going to try and get an opportunity for each caucus to ask a question of every presenter, one person pick your question, keep it brief, and we're going to try and keep things moving.

Mr. Rosario Marchese: Sorry; we're going to rotate the questions, five minutes per—

The Chair (Mr. David Oraziotti): Each caucus will get an opportunity. Not five minutes each; five minutes combined. The presentation is 15 minutes. They've got 10 minutes for their presentation; we've got five minutes of balance.

Mr. Rosario Marchese: Chair, I hear you. Can I ask—

The Chair (Mr. David Oraziotti): Same way we've been doing it.

Mr. Rosario Marchese: No, I understand that. Sometimes we rotate it so that we all get five minutes with different deputants. We could decide to do how we like it, Mr. Chair.

The Chair (Mr. David Oraziotti): Sure, if that's the will of the committee.

Mr. Rosario Marchese: Do people like the idea of a minute and a half each or do you want to rotate with the different presenters?

Mr. Yasir Naqvi: I say we split the time because we may have questions, too. They're different groups and different perspectives.

Mr. Rosario Marchese: The problem is, you're only going to get one question.

Mr. Yasir Naqvi: Well, then, I get one question.

The Chair (Mr. David Oraziotti): This way everyone gets a question of the presenter.

Mr. Rosario Marchese: I hear you, but I'm asking—

Mr. Todd Smith: That's a fair way to go about it. I think that's a fair way.

Mr. Rosario Marchese: Okay.

The Chair (Mr. David Oraziotti): We just have to try to keep it concise.

Whoever's speaking, please just state your name for the purposes of Hansard, and you can start when you're ready. You've got 10 minutes and we're going to divide the time for questions.

Dr. Moez Rajwani: Thanks, Mr. Chair, for the opportunity. I'll just quickly introduce our group. My name is Moez Rajwani. I am with the Ontario Chiropractic Association and the co-chair of the coalition. To my right is Karen Rucas from the Society of Occupational Therapists. To my left is Jennifer Holstein, director of pro-

gramming and member services, Ontario Physiotherapy Association, and I have Faith Kaplan, who's with the Ontario Psychological Association. Jen's going to start speaking first and then I will end the conversation.

Ms. Jennifer Holstein: Good afternoon. Thanks very much for having us. I'm going to speak really fast because I know we've got about 10 minutes and we do have questions afterwards, so I won't dawdle.

Just a briefing about who we are. We're comprised of professional associations representing literally thousands of health care professionals working with patients, and particularly those injured in motor vehicle accidents. Over 10 years, we've worked with government and other stakeholders on numerous changes to the auto insurance system. We've provided expertise and advice on SABS reform; development of the original pre-approved framework, which then morphed into the MIG, as you guys may know; development and rehabilitation of the health claims for our auto insurance system; and most recently we've been working with FSCO's HCAI data reports and anti-fraud working groups. We're comprised of plenty of professional associations. We've provided a list for you there; I won't go through them now.

Auto insurance in Ontario has been subject to numerous regulatory overhauls in the past 10 years, all with the intent of stabilizing or lowering premiums paid by Ontarians. The most recent round of reforms, which was implemented in September 2010, addressed many issues that were seen to be affecting costs in the sector. The costs of soft-tissue-injury claims were going up, so the reforms brought us the introduction of the minor-injury guideline and the minor-injury cap that would cover med rehab costs for the majority of soft-tissue injuries. Med rehab costs were capped at a much lower threshold, bringing Ontario in line with benefits in other provinces. The cost of assessments is now included in that cap as well.

Potential claims abuse of the housekeeping and caregiving benefits resulted in their almost complete removal from the system. Also, the attendant care benefit was reduced by 50% and its misuse was handled by reducing the assessors to OTs and RNs, registered nurses.

Insurers have the means and obligation to verify whether an expense has been incurred, and patients are engaged in managing their own expenses—which is fantastic—through the receipt of periodic benefit statements outlining what has been billed under their policy. In addition, FSCO released a guideline on what is allowed to be billed for goods and services, like exercise balls, assistive devices, that kind of thing.

Your committee here has several goals. We'll be focusing on the minor-injury guideline and minor-injury cap, antifraud initiatives and dispute resolution.

The changes in 2010 made a significant impact on available medical rehabilitation benefits in particular. Funds available to those who are catastrophically impaired have not changed; however, those related to non-catastrophic were cut significantly. Basic med rehab benefits were cut in half to \$50,000, with the cost of any

assessments now included in that cap. However, the majority of patients will now only be able to access approximately \$3,500 in benefits if their injury is considered to be minor under the definition in the statutory accident benefits schedule.

In addition to cuts made to med rehab, other benefits available under the SABS were cut, capped or only available if you purchased optional insurance. Several of these benefits are not accessible if the patient is seen to have a minor injury. Prior to 2010, patients with neck injuries—so whiplash and associated disorders—received treatment under the pre-approved framework guideline. Reforms brought us an expanded version of this guideline that now includes the majority of soft-tissue injuries. Whether the patient has a sprained ankle and some slight neck pain or has multiple soft-tissue injuries, this all goes under the minor-injury cap.

While the majority of people will likely get better under this framework, there's no exemption for those people who require additional treatment once the minor-injury guideline treatment and the total cap of \$3,500 has been reached. It should be noted here that the \$3,500 is a relatively arbitrary fee. It's not something that was based on—the treatment framework itself is based on scientific evidence, but not the amount. So we may have gone from a program that is a little too narrow in its scope with the pre-approved framework to one that might be a little too broad.

Discretion for insurers was also introduced to limit the insurer need to seek an insurance examination for every dispute, even those where it would be reasonable to deny out of hand; so, for instance, something really ridiculous or somebody resubmitting a treatment plan over and over and over again. However, providers are finding that insurers are using this discretion to deny what could be reasonable treatment without the opportunity for a patient to get a second opinion. Insurers are obligated to identify a medical reason for denial, but provider experience, again, indicates that this isn't happening. So when a patient does get denied, there are no real options for dispute resolution beyond the FSCO mediation and arbitration process, which we've heard is taking significantly longer than it should.

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Dr. Moez Rajwani: So to summarize some of the medical issues that have come up, minor injuries, as you heard in the two presentations before, were a key driver of the escalation in costs. As regulated health professionals, we were supportive of the concept of dealing with soft-tissue injuries in a reasonable fashion. But as we mentioned earlier, now we have a situation where those 15% or 10% or 5%—whatever that number is—do not get better. There really is no opportunity for them to get outside of that cap.

There is a gap between the \$50,000 that's available to a serious injury, and that of a catastrophic injury, which is \$1 million. Some patients run out of the \$50,000 before they're able to go through the application process of \$1 million, which can happen at the two-year mark.

As you're looking at this whole area of catastrophic determination, there are two issues, really. There are those who are seriously injured and those who are catastrophically injured. I know the government has tabled something in terms of what the new definition may look like. From a health professional point of view, we want to make sure that access to care is not limited by the complexity of a system. So if the system is going to become more complex to get access to that care, then that's something we're concerned about. The system that exists today only really impacts 2% or 3% of patients who are really catastrophic. So we want to make sure, if there are going to be any regulatory changes, that the whole picture be looked at before the change is made.

There was the introduction of a \$2,000 cap on assessments. Again, FSCO mentioned that there was a rising cost in assessments, and we acknowledge that and we realize that that was a concern. For certain remote areas outside of the GTA that require services, the \$2,000 can be cumbersome because of travel costs. Some of the more complex assessments required for complex patients can also be a concern.

We, as an organization that represents health professionals, have been very supportive—and our members are also concerned about fraud. One of the big issues for us is identity fraud, where regulated health professionals have been abused themselves by their regulatory numbers being taken advantage of by non-health professionals. So we've been working with the fraud task force in the area of credentialing and looking at how we can make sure that our professions are organized. Some of the measures that Phil Howell talked about in terms of some of the regulatory changes—we've been supportive in those areas.

HCAI was mentioned earlier, and we've been strong supporters of HCAI. We feel HCAI is the opportunity to get some real medical data for some of the questions that all of you are asking, and we've been working with the HCAI working group to come up with data that can be relevant and useful to all of us.

When you're looking at the area of licensing, we want to remind everybody that there are regulatory colleges that exist, that already license us. We understand that sometimes they are not using their full authority in the business practice area, but before you start looking at full licensing in the auto sector, we recommend that you look at the regulatory bodies and ensure that the systems that you already have in place are maximized before you go to the licensing area.

In issues of non-regulated health professionals, we are supportive of a licensing system and we would support any measures that the government put forward.

The Chair (Mr. David Oraziatti): Okay. I need you to wrap it up here.

Dr. Moez Rajwani: Okay. So in conclusion, we've been supportive of some of the measures. However, we think that the pendulum has now shifted. Some health professionals feel that everybody thinks that we are all fraudulent somehow and that everything is being double-

and triple-questioned. We want to reassure the standing committee that we're here to make the system work, but we want to make sure there's access to care.

The Chair (Mr. David Oraziotti): Thank you very much. In rotation, the NDP caucus is up first for questions. If you've got a question for our presenters, go ahead, Mr. Singh.

Mr. Jagmeet Singh: Certainly. You indicated that some of the issues that arise from putting a cap may differentially impact those who have further distances to travel, and for complex cases. In general, in terms of quality of care that we're receiving, or the quality of the product that we're receiving, in terms of the benefits we're receiving in Ontario, your thoughts on that as compared to other provinces—the amount of care or the amount of benefits that we receive now.

Dr. Moez Rajwani: It's a broad question because there's a spectrum of care. I think that when it comes to complex care issues, where there are multiple injuries that the patient has incurred, and then that framework between the serious and the catastrophic, we do feel that there can be situations where treatment is compromised and that we need to look at those areas.

In the soft-tissue area, as Jennifer mentioned, the majority of patients do get better quickly and require a certain amount of treatment. But, once a minor injury, not always a minor injury. There are circumstances where things that seem very simple and uncomplicated at the beginning, due to multiple reasons, become more complex and there needs to be that transition from soft tissue to something that may require more intervention.

Mr. Jagmeet Singh: Okay. And just one last thing: Have you had any experience with the fact that many claims are now being denied or with the fact that everyone is arbitrarily being funnelled into soft-tissue damage?

Dr. Moez Rajwani: Yes. One of the things that we've identified is that the SABS now asks for a medical reason. Sometimes patients are put into certain boxes, whatever box that is, without a medical reason. We want to ensure that health care providers are making the decisions on health care issues and not non-health care providers. So that's an issue that we do see.

The Chair (Mr. David Oraziotti): I appreciate it. Thank you. Next question. Mr. Naqvi, go ahead.

Mr. Yasir Naqvi: Thank you very much. Thank you for your presentation. One thing that's sort of been bothering me that Mr. Howell was talking about too is the statistics that in recent years there has been a significant increase in medical costs even while the number of accidents has been stable. How do you account for these figures? What, in your view, is going on, that we see that differential?

Ms. Karen Rucas: The \$56,000 per claim that they're talking about: We have to also be careful what we're talking about there. Is that also the cost of those house-keeping benefits, the attendant care benefit, the RIB benefit, or is it just the cost of treatment and assessment? When we talk about assessment, we also have to look at, is that the assessment for the purposes of determining if

somebody needs an income replacement benefit, or is that an assessment before you give treatment? Everyone has to be assessed before we treat you. So we have to look at that \$56,000 number and understand really what's inside that number. I don't know that we've gotten any straight answers in terms of what that number represents. Is it benefits plus treatment plus assessment? Is it the insurer assessment? We don't know.

Mr. Yasir Naqvi: Do you have a theory?

Ms. Karen Rucas: I have a theory that it's all-in, but I don't know for sure.

The Chair (Mr. David Oraziotti): Thank you. Ms. Scott, go ahead.

Ms. Laurie Scott: Thank you for coming and appearing today. You mentioned the "catastrophic" report. We have certainly asked for that to be tabled, and hopefully the government will allow ample time so the health care professionals can give advice on that report. We just wanted to let you know that we have asked for that.

Back to young professionals: The graduates seem to be a target for fraudulent—you know, their numbers are taken; you get into the new profession, you don't really know the land mine you could be walking into in this insurance climate at the moment. Do you have any ideas how we can stop the identity theft among the professionals?

Dr. Moez Rajwani: One of things that some of the professional associations are now doing is, they're trying to orient new graduates around the realities of business practice. There's a reality in school about health care, and that's really important; that's what you go to school for. But sometimes you graduate and you don't really understand the framework that you're in. As professional associations, that's our job. We're not a regulatory body; we're there to take care of our profession. Many of us have, not even just in that year but in fourth year or their last year of school, started talking about some of these practice issues, talking about jurisprudence, talking about fraud, and just realizing that at the end of the day, with the title of their regulation or their health profession comes a responsibility and accountability and what that's all about.

So we're trying, from our point of view. I know the Financial Services Commission has issued some pamphlets around this area, and we'll continue to work with them. We're looking at a credentialing process where people can check to make sure that if they're working for ABC rehab clinic, then their name's there, and if they're not working for them, then they're not there. So that's what we're working with.

Ms. Laurie Scott: Excellent. Thank you for that. That's fine.

The Chair (Mr. David Oraziotti): Thank you very much. That's time for your presentation. I appreciate you coming in today.

ALLSTATE INSURANCE

The Chair (Mr. David Oraziotti): Our next presentation: Allstate Insurance. Good afternoon, folks. Welcome

to the Standing Committee on General Government. As you are aware, you've got 10 minutes for your presentation, so simply state your name for our recording purposes and you can start when you're ready.

Just as part of housekeeping, you're aware that the bells are ringing here and we need to be able to get to the House to vote, so start, and at some point I will have to stop you and then I'll let you continue after we come back. I appreciate your co-operation.

Mr. Tony Irwin: Good afternoon, Mr. Chairman and members of the committee. My name is Tony Irwin and I'm manager of external affairs and consumer relations at Allstate. I'm joined today by my colleague Saskia Matheson, our director of risk management for auto and property. On behalf of the Allstate Canada group of companies, we'd like to thank you for the opportunity to address your committee here today.

Over the past several months, we have met with members from all parties in the House, including some from this committee, to discuss issues that we feel are affecting our industry. We think these discussions are vital to ensuring we have an auto insurance system that is fair, accessible, affordable, sustainable and competitive for Ontario consumers. We intend to continue these discussions, moving forward, and applaud the government for recognizing the need for an ongoing dialogue with all stakeholders, FSCO and the Ministry of Finance.

1630

As has been said by other presenters today, auto insurance is a complicated product but nevertheless an essential one in our society. As family budgets continue to be stretched, we recognize that the cost of auto insurance is becoming more difficult for many people to manage, and was an issue heard at many doorsteps during the provincial election last year. There are no easy answers, but Allstate is committed to making improvements to protect consumers and foster a competitive marketplace, enabling our industry to contribute to the provincial economy in a meaningful way, while at the same time providing the best product possible to our customers.

We are here today because we believe these hearings are an important part of the process and because we think we have something to contribute from our own unique perspective and experience. Finding solutions to auto insurance affordability is a daunting task. It is our hope that in addition to increasing awareness, these two days of public hearings will encourage all stakeholders to commit to making the system better for Ontario consumers.

By way of background, Allstate Canada Group includes Allstate Insurance Co. of Canada, Pembrige Insurance Co. and Pafco Insurance Co., and employs over 600 people at our Canadian head office in Markham. We underwrite the personal risk of Ontarians in communities both urban and rural, north and south, east and west throughout the province, and have been providing property and casualty insurance products to Canadians since 1953. Allstate Insurance Co. has 415 exclusive agents in 53 offices across Ontario with \$498 million

gross written premium in 2011. Pembrige and Pafco are broker channel companies. Pembrige operates in the standard market, while Pafco is an alternative market for high-risk drivers. We work with 169 broker partners in 467 locations across Ontario with \$189 million gross written premium in 2011.

I'd now like to turn it over to my colleague Saskia Matheson.

Ms. Saskia Matheson: Good afternoon. Thank you very much for the opportunity to speak to this committee. My name is Saskia Matheson. I'm the director of risk management for Allstate Canada. I've been with Allstate Canada for five years, but I've been involved in the Ontario automobile insurance question for 25 years—I had to count it twice just to make sure it was true.

I began actually with the Osborne inquiry in 1987. In fact, at that point we were looking at very similar questions to what you were looking at today, which is how do you balance the need for fast, efficient, fair, complete benefits and support for people who have been injured in an automobile accident against the need for affordability of all Ontarians? That report became the foundation of what I consider the first reform in 1989—there may have been some before, but they were long, long ago—which was the OMPP reform, which began this conversation. The conversation has continued through a number of reforms since that time, always focused on the same question: How do we balance affordability against the need to help victims of auto accidents?

During that time and all of those reforms, I have seen what I would count as four themes that have evolved, and they seem to remain true through all those years. I'd like to share those themes with the committee.

The first is the basic truth—we've talked a lot about fraud—that the more generous the system of benefits, the more tempting the fraud becomes. So there are perpetrators of fraud who sit on the edges and wait, but when the target is tempting, that's when they move.

There have been a lot of discussions today—and certainly in the press and over the years—about, can we estimate the amount of fraud in the system? Can we put a dollar figure on it? The first point to make is that it is a difficult process, one, because perpetrators of fraud aren't very helpful in supplying data about the money they take out of the system. So we're not going to get nice statistics that come through either Revenue Canada or any other place—

The Chair (Mr. David Orazietti): Sorry, I need to stop you.

Ms. Saskia Matheson: Absolutely.

The Chair (Mr. David Orazietti): Members have to go and vote. We'll be right back to continue. Thanks. We're in recess.

The committee recessed from 1635 to 1643.

The Chair (Mr. David Orazietti): Right, folks, we'll get started. You've got about four more minutes for your presentation, and then we've got some time for questions. So, yeah, go ahead. Thanks.

Ms. Saskia Matheson: As I mentioned earlier, there's been a lot of discussion about fraud, and there are certainly differing estimates of the amount of that fraud.

Interjections.

The Chair (Mr. David Oraziotti): Folks, we need quiet so that we can hear the presenter. Thank you.

Ms. Saskia Matheson: Those estimates range from some studies that were done in Quebec in the late 1990s that put those amounts at around 10% of claim amounts and between 10% and 20% of claims dollars, all the way to some US studies that put that number as high as 40%. But the importance isn't the quantum. The importance, in our view, is the fact that these are dollars that are coming out of policyholders' pockets, and they are going to people who are not entitled to them. Those are dollars that are coming out of someone's pocket who is entitled to them, and that's why it's important.

It leads to the corollary, though, that in the same way that generosity of benefits leads to a temptation to fraud perpetrators, it also leads to the danger of administrative cost. The more dollars that are at stake, the more important each side sees the controls and the administrative completion of the forms and the checkpoints, and while these are absolutely crucial to ensure the fairness of the system, they also add cost. So it is truly important that we collaborate in streamlining that process and taking out as much administrative cost from the system as we can. No one ever sets out to create a system that is administratively expensive or cumbersome. It grows as the competing visions of what controls need to be there are in place. So, to our view, collaboration and discussion of these issues becomes crucial to building the long-term solution.

This leaves us with a really important point, which is, we all want the issue and the cost in the system to be fraud, we want it to be administrative waste, but once you've run through, once you've gotten rid of all the fraud, once you've cleaned out all the administrative waste, then you need to make the hard questions about what benefits are you going to give in return for what premium. Those questions are the really, really hard questions. Every round we've done of Ontario automobile product reform has been that balancing act. How can we squeeze more benefits out of a product without raising the price? How can we reduce the price without giving up any of the benefits?

My third point: Did I mention that collaboration is important? I have about, I believe, a minute and a half left, and even if I had all the answers, we couldn't begin to scratch the surface of the work that needs to be done. But one of the important reasons that Allstate is here today, and we are at every table we are invited to in any way participate in on this subject, is because it is so critical that all interested parties—the government, the industry—come together to make the product better.

I do leave you with one final win-win, because there is one win-win in this question, and that is the win of traffic safety. We've seen how there has been a reduction in claims but an increase in expense. Only through a

reduction in accidents and a reduction in the severity of the injuries that occur do we end up with less cost and less premium and more benefit to all Ontarians.

We look forward to that collaborative effort. We believe industry has a lot to offer in all of those regards, and we thank you for your time today.

The Chair (Mr. David Oraziotti): Thank you very much for your presentation. The government caucus is up first. Mr. Naqvi, go ahead.

Mr. Yasir Naqvi: Thank you very much, Chair.

Let me ask you a question about data on accident rates across the province. I'm sure you have data on accident rates. To what extent does that impact the actual rates, the premiums that people pay?

Ms. Saskia Matheson: Sure. We go through two exercises. Obviously, one is predicting the amount of dollars we will need, which is very much based on what accidents have occurred and, therefore, where they are likely to occur in the future. That sets the amount of dollars that we're going to need in order to pay those claims a year and two and three years down the road. Then we divide that, and I think this is something that the representative from FSCO was mentioning.

The two exercises: The dollars in the end must equal each other, but we do work within certain limitations. For example, there could be accident benefit claims that cause a great deal of expense in one category of claimant, but we do not use accident benefit experience in order to rate customers. So in the end, the numbers have to be equal, but they are different equations.

The Chair (Mr. David Oraziotti): Thank you. Mr. Yurek, go ahead.

Mr. Jeff Yurek: Thank you for coming out and speaking at this committee.

Part A and B questions: Can you quickly review what FSCO has in place to prevent insurance agencies from red-lining, or how they say targeting race, income and socio-economic factors? And part two: We've talked earlier, and the reports have come out, that premiums are higher in the GTA as a result of high claim costs. As a business, are your premiums—your customers in the GTA—as a result because you want to charge people in Toronto more, or is it actually the fact that it costs a lot more to do business in Toronto? If you can touch upon those two.

Ms. Saskia Matheson: I'm not sure. Perhaps I can deal with the latter part of that first. We're a business in business to make money. What we want to do is charge people the right premium for the cost at the end of the day. It absolutely has no advantage to any company to charge a group more than it represents, because you'd be chasing away the business to a competitor who would be able to under-price you for that same business. So that's the question of—we charge what we charge in the GTA and in each territory because that is the cost that is represented to us in each territory.

In terms of the rules that are in place for territory from FSCO, they have fairly complete and extensive rules about the number of territories that we can have—a

word, “contiguity,” that none of us who work in insurance used to know until FSCO came on to the scene.

But perhaps most importantly, there are rules to stop companies from creating territories out of a piece of street here and a bit of information over there. They must actually be a territory that you can look at on the map and draw a line around. They must have sufficient people in them to be statistically valid.

Ourselves, we use a technique that goes first to personal characteristics in determination of rate. So first, we look at the experience. We take out all of those variables that explain—things that people can control. For ourselves at Allstate and the way we do our rates, territory is the last piece of the puzzle that is there for things that individual characteristics of the driver cannot explain.

The Chair (Mr. David Oraziotti): Okay, thank you. We’re going to move on. I appreciate it. NDP caucus—questions? Mr. Singh.

Mr. Jagmeet Singh: Since the regulations in 2010, have you noticed a significant decrease in claims costs in 2011?

1650

Ms. Saskia Matheson: We’ve noticed two things that have happened. First, we have seen a decrease in claims on the medical side. We are also, however, beginning to see an increase in claims on the bodily injury side. Our claims department uses the term “cautiously optimistic” because, as I think was mentioned before, reforms that came in in September 2010 only begin to push that through—

Mr. Jagmeet Singh: Sure. Could you table your claim costs for 2011?

Ms. Saskia Matheson: We can table our—I’m looking at Mr. Irwin. Our data is part of IBC data, and we certainly—it’s part of the rate filings that go into FSCO.

Mr. Jagmeet Singh: Thank you. And in terms of profits, have your profits increased substantially in 2011?

Ms. Saskia Matheson: We have three brands. My only hesitation is our three brands have different experiences. In one case, things have improved, and in one case, not so much.

Mr. Jagmeet Singh: Okay, and just a final question: Replacing territories with census metropolitan areas would allow for many divisions across Ontario still. For example, every city in Ontario could represent a CMA if it falls within the population, which is over 10,000, so many of the cities in Ontario would still be subject to being separated and treated differently. Would you agree with me that all it would do is stabilize rates within the CMA as opposed to increasing rates in other CMAs?

Ms. Saskia Matheson: I think you’re referring to the provision within the bill that you tabled about using population as opposed to using specific territory. Is that correct?

Mr. Jagmeet Singh: That’s right.

Ms. Saskia Matheson: If I can say, first of all, our view is that customers are always better off if companies can compete on a number of rating differentials. That

allows companies to bring in new and different ways to benefit customers.

Mr. Jagmeet Singh: Within one region.

Ms. Saskia Matheson: But stabilizing rates within one area, if we’re talking about the industry—if we’re forced to have one rate in one area, I suppose that’s stable. The question is whether or not stable is either fair or equitable to the people both within that area or outside of it.

The Chair (Mr. David Oraziotti): Okay, that’s time. We appreciate you coming in. Thanks for your presentation today.

INSURANCE BUREAU OF CANADA

The Chair (Mr. David Oraziotti): Folks, our next presentation is the Insurance Bureau of Canada. Good afternoon. Welcome to the Standing Committee on General Government. Thanks for coming in today. You’ve got 10 minutes for your presentation. State your name for the purposes of our recording Hansard, and you can start your presentation when you’re ready. Thank you.

Mr. Ralph Palumbo: Thank you. My name is Ralph Palumbo. I’m here from the Insurance Bureau of Canada as the Ontario VP. I’m accompanied today by Barbara Sulzenko-Laurie, our vice-president of policy, and Pete Karageorgos, our manager of consumer and industry relations.

I’m here, basically, to deliver a simple message on behalf of our member companies: Auto insurance rates in Ontario are too high. We know that you hear that from your constituents. While we can’t deal with individual cases today, I do want to say that a key service of IBC is helping consumers navigate through the insurance system through our consumer information centre. We’ve provided that contact information with our presentation today.

Now the facts: The average private passenger auto annual premium in Ontario as of April 2012 was \$1,534. That compares with \$1,051 in Alberta, \$989 in Newfoundland and in the \$800s in other Maritime provinces.

While four years ago, Ontario premiums were on average 25% higher than the next-highest province—that’s Alberta—today, the average Ontario premium is now more than 45% higher than Alberta and almost twice as high as premiums in the Maritime provinces.

Calculating how much insurance should cost is a complex task, as you’ve heard today, because insurers must set the price long before they know what the costs are that they’re going to incur. Insurers can’t know for certain ahead of time how many consumers will make a claim or how much those claims may be. Therefore, the cost of claims must be calculated based on actuarial science. Using information from past experience, insurers determine the price to charge consumers today to protect against claims that they may incur in the future. The rates that insurers charge, as you’ve heard, must be approved through the FSCO regulatory process.

How did Ontario’s insurance rates get so high? This is what we know: Ontarians are not the worst drivers in

Canada. In fact, Ontario has the safest roads in North America. Cars are now better equipped for protecting passengers. There are 12% fewer serious accidents requiring hospital admission. So if the roads are better, cars are safer and accidents are less severe, what is driving up insurance costs? I will answer that question, but first I want to dispel a few myths about the factors at play in terms of the higher premiums.

Let's start with the issue of insurance industry profits. As you've heard, FSCO sets a benchmark for profit of 12% as part of the rate approval process, but this doesn't mean that insurance companies have a guaranteed 12% profit. In reality, the Canada-wide industry return on equity across all insurance lines across the country was 8% in 2011. That compares with levels of 9.8% in mining, 10.6% in manufacturing and 11.8% in retail trade.

Here's another fact: Between 2008 and 2010, the industry lost a total of \$2.96 billion on auto. In 2010 alone, the figure was \$1.76 billion. I can say without any equivocation that during this period, when premiums were rising significantly, insurance profits were not a factor.

Any reasonable person would ask, "Why do you keep writing here? Why are you in the business when you're losing all that money?" The answer is that insurance profitability is cyclical. Insurers didn't always lose money in Ontario, and they sure hope that they don't in the future. As well, Ontario is a significant market. Nobody wants to leave Ontario. Why would they?

The other issue, of course, is that home, car and business insurers are very conservative and safe investors. They invest in secure bonds that are a lot less vulnerable to stock market fluctuations than other investments. That's why in 2008, when the TSX and mutual fund indices finished in negative territory, the P&C industry investment returns came in at almost 4%.

All right, so what's driving up the costs? You've heard it over and over again today: It's claims—claims costs. If the problem was factors that insurers use to classify risk, like the use of territory, or for that matter, any other factor, then we would see premium increases in other private sector insurance markets, like Alberta. But we don't. Something very unique is happening in this province.

Since 1990, when the concept of no-fault insurance was introduced, the Ontario auto insurance product has offered the highest benefit package in Canada—in fact, in all of North America. Ontarians receive more compensation from insurers than any other Canadians. Why is that? Because the benefit package has been and remains generous, it has been vulnerable to significant inflation. Some of that inflation is the result of fraud, but a large part is due, frankly, to the mentality on the part of too many health care professionals, medical suppliers, claimants and lawyers that essentially goes, "Look, if the money's there, let's use it." Quite simply, the benefit maximums and the auto insurance product have become financial targets.

You've also heard today that Ontario auto claims costs are made up of two components: no-fault accident benefit

(AB) injury claims; and bodily injury (BI) claims, where the insured person sues the at-fault driver. Beginning in 2005 and up to the September 2010 reforms, accident benefits costs were spiralling out of control. From 2005 to 2008, the total value of these claims went up 70%. But premiums did not go up right away. Rather, because of competition in the market, insurers took the loss, and average premiums actually fell by 2.6% during that period. Subsequently, however, claims costs continued to rise by another 60% to 2010, so premiums had to catch up, and average premiums rose 12% over that two-year period.

1700

So while claims costs increased by 60%, average premiums rose by 12%. While the September 2010 reforms were a needed first step in reducing pressure on no-fault injury costs, claims costs were still out of control.

Why is that? Well, you've heard that there's in excess of 30,000 unresolved claims cases awaiting dispute resolution at FSCO, and these have undetermined costs. Depending on how those cases are decided, it could very well re-ignite the accident benefits cost spiral. I don't think we can stress strongly enough how this backlog is a major risk to insurance premium stability.

First of all, claimants don't know what their benefits will be, and insurers don't know how much their claims are going to cost.

Second, the number of catastrophic injury claims is rising faster than other claims. From 2004 to 2010, the number of all no-fault injury claims rose 28%, whereas the number of large claims has more than doubled. Acute care for accident victims is covered through OHIP, and insurers reimburse the government over \$142 million a year for these services. As I mentioned, hospitalizations for motor vehicle accidents are down 12%. Still—and this is a mystery—auto insurers are being presented with many more catastrophic injury claims.

Third, bodily injury claims costs are increasing rapidly. The latest figures show that the frequency of these claims has been rising, as has the average claim cost. When you consider that BI claims represent more than \$2 billion in costs each year, it's very concerning that the volume and average cost of these types of claims appear to be rising so rapidly. Let's be clear: BI is on the same track that accident benefits were before the 2010 reforms, and more needs to be done to assess the causes and what can be done to alter this trend. As one part of the insurance product is reformed, other parts feel the pressure, much like squeezing a balloon.

Fourth, there is a persistence of fraud in the auto insurance system. You may know that just last week, a Scarborough man was sentenced to three and a half years in federal penitentiary in connection with a staged collision ring known as Project 92—this was the 29th conviction in relation to this investigation—that may have cost insurers over \$25 million.

Now, we know that the government has taken unprecedented steps to stop fraud and abuse, but so have insurers. Companies have taken significant steps to enhance their claims management process. For some

companies, this has meant wholesale restructuring of their claims departments. As well, we're pleased to say that consumers are becoming more educated. We certainly want this momentum to continue.

The Chair (Mr. David Orazietti): Mr. Palumbo, we need you to wrap up so we can get to questions.

Mr. Ralph Palumbo: Absolutely. I guess I'd just wrap up by saying that the habit of abusing the system has grown up for more than 20 years, and it's going to take a commitment from all of us—industry, government, policyholders, stakeholders, members of the Legislature—to work together to do what's necessary to drive down claims costs.

The Chair (Mr. David Orazietti): Thank you very much for your presentation.

Mr. Smith, go ahead.

Mr. Todd Smith: Thank you very much for the great presentation, Mr. Palumbo. You answered a lot of the questions we had here as to why costs are so high in the province of Ontario.

Would you say that the 30,000 cases that are currently in the backlog are the biggest factor going forward—wiping out those cases in the backlog—and do you think the 2010 reforms are going to result in major decreases in claims across the province?

Mr. Ralph Palumbo: I'll let Barb Sulzenko respond.

Ms. Barbara Sulzenko-Laurie: The 30,000 backlog is very dangerous, because we don't know what the outcome of those claims is going to be. Our feeling is that it's likely there are a number of claimants advised by their representatives who are feeling that if they can get some good arbitration decisions, they can beat the reforms, and if they succeed in beating the reforms, they can undo the savings that are potentially resident within the 2010 reforms. So what's really happening to the mediation process and the backlog is that there's a pull of potential reward if they can get some arbitration decisions which benefit them that overturn aspects of the reforms.

Mr. Todd Smith: So does the IBC then feel confident that the reforms that are in place are going to reduce the number of claims or the cost of claims in the province? Or do we need to go further? What's the silver bullet here?

Mr. Ralph Palumbo: I think we need to give it more time, as Mr. Howell said. I think one of the major issues, as Barb was indicating, is what's going to happen with all those cases at mediation? Depending on how those are adjudicated, we'll know: Either costs will go up or down. I think we remain cautiously optimistic at this point.

Ms. Barbara Sulzenko-Laurie: In the meaning that government put to the reforms, we're going to see the backlog just fall away. It will just fall away. Of course, the other problem that Mr. Palumbo raised as well is that at the same time, to the extent that the 2010 reforms are successful on the AB side, we are seeing a pushover of those claims into the bodily injury side.

The Chair (Mr. David Orazietti): Thank you. Thanks for your question.

NDP caucus: Mr. Singh, go ahead.

Mr. Jagmeet Singh: Sir, I'd like to draw your attention to a letter that was given to you before you sat down today. All the committee members have it. It's written by Mary Hardy, who's a Ph.D., FIA, FSA, CERA, a CIBC professor of financial risk management and an actuarial scientist. She indicates in her letter regarding Bill 45, "In other words, if the bill results in a change from using the insurer-defined territories to using the SA"—or statistical area—"definitions, without any other changes, there is no reason why the premiums outside the major conurbations should change. The major impact would be on premiums charged in and around Toronto."

Do you agree with Ms. Hardy, the CIBC professor of financial risk assessment?

Mr. Ralph Palumbo: First of all, we're very pleased that you decided to seek some actuarial expertise, because you sure didn't do it before you introduced the bill, and that was a problem.

Mr. Jagmeet Singh: That's not what I asked you, sir.

Mr. Ralph Palumbo: Secondly, we received the letter five minutes ago—

Mr. Jagmeet Singh: That's correct.

Mr. Ralph Palumbo: —and, frankly, we haven't had the opportunity to study it. So—

Mr. Jagmeet Singh: Sir, my question is, do you agree with the notion that replacing the territory definition with "statistical area" should not result in any increases outside of the CMA or the statistical area?

Mr. Ralph Palumbo: Mr. Singh, we're going to continue to rely on the actuarial report that we have. Secondly, we will have a look at the report that you provided to us five minutes ago and certainly get back to you about that. We're not prepared to speak to a report that you gave us five minutes ago. Ours was widely distributed and has been for a month and a half.

Mr. Jagmeet Singh: So, sir, you're not able to—do you disagree with Ms. Hardy? Is that your position?

Mr. Ralph Palumbo: Our position is, we haven't read it yet.

The Chair (Mr. David Orazietti): The question has been asked.

Mr. Ralph Palumbo: But we are glad you took that step.

The Chair (Mr. David Orazietti): Liberal caucus, go ahead.

Mr. Yasir Naqvi: Thank you very much.

The Chair (Mr. David Orazietti): If you could be brief. Sorry, Mr. Naqvi. If you can—

Mr. Yasir Naqvi: Do you want to vote first and then come back?

The Chair (Mr. David Orazietti): It's up to you. Okay, let's go vote.

The committee recessed from 1709 to 1716.

The Chair (Mr. David Orazietti): All right, folks, we'll just continue. We've just got a couple of minutes here for the Liberal caucus to ask questions, and then we'll move on to the next presentation. So if I can just get folks' attention back, that would be great. Thank you.

Mr. Naqvi, go ahead.

Mr. Yasir Naqvi: Thank you, Chair. Thank you, Mr. Palumbo. I'll go back to what I was inquiring of Mr. Howell when he was here from FSCO about the impact, in your view, if we eliminate territories, as has been prescribed in Bill 45. What kind of impact do you foresee this having on non-GTA areas, areas outside the GTA?

Mr. Ralph Palumbo: Well, we're adopting the submissions made by Mr. Howell. Mr. Karageorgos will follow up.

Mr. Pete Karageorgos: Thank you. The key issue really is one of costs, as we've heard earlier this afternoon. All that Bill 45 or the proposal would do is shift costs. What we have primarily is a cost issue based on data that we have seen through GISA, where the greater Toronto area currently, as of 2010, has a \$706-million deficit. So basically, drivers in this region have paid \$600 million less into the system than what they've taken out. They've taken out more, and that cost is what's being spread out and proposed to be spread out beyond the GTA area. To address those cost issues and to recover that cost to ensure that you have the dollars to pay for claims, it's going to require a spreading. Currently, we have territories that are used to determine those rates. When you eliminate that and create larger areas—for example, in the greater Toronto area right now if you take that alone as a CMA, you're going to see rates increase on average about \$300 to \$400. Now, if you manage that, you still need that money. If you don't want to increase costs in certain parts of the GTA, you need to look beyond that. That's what this bill is going to force insurers to do: look beyond that. In an area such as northern Ontario, as we've said, those drivers there are going to be forced to pay for claims costs in southern Ontario.

Mr. Yasir Naqvi: So do you have any sense of, let's say, in Ottawa or northern Ontario, what kind of percentage we're talking about in terms of cost increase if we move to one or two territories?

Mr. Pete Karageorgos: We have done analysis, and we can provide you with that.

Mr. Yasir Naqvi: Just quickly: Ottawa and the north, what's your analysis?

Mr. Pete Karageorgos: Based on the numbers that I've looked at just today, you're looking at in the neighbourhood of anywhere between 20% and 30%.

Mr. Yasir Naqvi: Increase. Thank you.

The Chair (Mr. David Oraziotti): Thank you. That's time for your questions. We appreciate your coming in today.

ONTARIO SPINAL CORD INJURY SOLUTIONS ALLIANCE

The Chair (Mr. David Oraziotti): Next presentation: Ontario Spinal Cord Injury Solutions Alliance. Good afternoon. How are you?

Dr. Cathy Craven: Good afternoon. Thank you for the opportunity to present.

The Chair (Mr. David Oraziotti): Absolutely. Welcome to the Standing Committee on General Government. As you're aware, you've got 10 minutes for your presentation, and time after that will be divided among members for questions. You can start by simply stating your name and proceed with your presentation.

Dr. Cathy Craven: My name is Dr. Cathy Craven, and I'm presenting today with Mr. Rick Watters and Mr. Peter Athanasopoulos. We're presenting today on behalf of the Ontario Spinal Cord Injury Solutions Alliance, which is a network of key stakeholders related to patients with spinal cord injury. It's comprised of 70 member organizations; that includes clinicians, researchers, service providers, patients and their families, as well as research and health care funders. Our real reason for being here today was to respond to the proposed definition of catastrophic impairment. As I'm sure you're aware, we're representing the people who have valid catastrophic impairment claims the majority of the time, and we wanted to provide some commentary to the position statement that was prepared by the expert panel.

We want to begin by acknowledging the very careful and thoughtful review by the expert panel as it relates to spinal cord injury and spinal cord injury care. One of the things that's in there is the proposed adoption of the international standards for neurologic classification of spinal cord injuries. This is a method of looking at what type of spinal cord injury patients have. It's used internationally, is well validated and would eliminate a lot of the discrepancies and holes in the current classification system. So we do want to strongly endorse the panel's recommendation related to that.

However, there are two provisos in that recommendation that we had some concerns about. The first was that the patient or person must have attended an in-patient rehab facility. As you know, in our complex health care environment there are lots of other reasons why patients don't end up in a tertiary academic spinal cord injury rehab centre that relate to their level or complexity of care. As an example, many high quads, people who have the highest need—those who are ventilator dependent and have no voluntary movement of their arms or legs, like Christopher Reeve—are the people who are often not making it into academic rehab settings and wouldn't fit the catastrophic impairment definition if you included that rehab filter. There are lots of reasons that patients aren't being admitted to in-patient rehab that are system problems that we don't think should be incorporated into the insurance definitions.

The other issue relates to point 4 in the definition. I believe the panel was trying to make sure that patients who have very mild impairments—those are people we call ASIA impairment scale D, who have had good motor recovery and have started to return to walking. I think the panel was concerned that people might be labelled catastrophic and receive a great deal of funding they were not eligible for.

They've put in some filters there, but we believe they are too concrete, and we would propose that the panel

adopt the autonomic standards form, which is again an internationally validated dataset that looks at other impairments the patient might have, other than just their ability to walk or not. For instance, if they have a central cord syndrome, they can return to walking and they're able to void spontaneously, but they have no hand function, so when they get to the toilet, they can't undo their own pants. So it's sort of an interesting challenge for people.

There are also people who have problems with temperature and blood pressure regulation, erectile dysfunction and respiratory function that aren't really addressed in the definition. The autonomic standards, which is in your package, pick up on those and is something that is also an impairment skill. So for patients who are AIS D and there is some controversy about whether they would meet the criteria, we would propose adding the autonomic standards as a way of identifying those people who have a subtle mobility impairment plus maybe other things that would allow them to qualify.

I guess the biggest take-home message we would like to have is not to abandon the international standards, because we think that solves the issue for ASIA impairment scales A, B and C. So this is a really good decision for 75% of patients. There's a small number of patients for which there is some controversy—this ASIA D group that we're talking about—and use of the autonomic standards might eliminate a lot of this controversy.

The other two issues we wanted to comment on are, is it important that the definition of "catastrophic impairment" also look at the health complications and the difficulties of aging with health complications over a person's lifetime. So it's not only their impairment at day zero when they have their assessment—do they meet the insurance threshold or not?—but also what other health complications they're likely to experience over their lifetime.

The other issue is that we thought it was important that the legislation specify who has the appropriate credentials to do the international standards for neurologic classification of spinal cord injury. The American Spinal Injury Association has been responsible for disseminating these standards internationally, and they have a well-established credentialing process which is an online training program where people can go, attend the course and then receive a certificate.

Our recommendation would be to use the well-established training and credentialing process that's already in place. The only proviso we add is that the person doing the assessment would also have at last 1,000 hours of some clinical experience, in order that not only are they trained but they've done it a sufficient number of times that we would believe their data is valid. Those are our main comments.

I brought Rick Watters with me, somebody who has an AIS D impairment, who would be one of the patients who would fall into this category where it's a big controversy about, do they meet the catastrophic impairment criteria or not? I thought Rick could just speak to you from his own personal experience.

Mr. Rick Watters: Thank you. Rick Watters. I had a traumatic injury to my spinal cord when I was 16. That goes back about 34 years now. In the early stages, I was classified as a complete quadriplegic with no possibility of recovery. I was paralyzed from approximately the top of the shoulders down. Over a course of several months and over the course of a year of therapy, very intensive therapy, I managed to get up walking on crutches—not completely independently, not completely safely, but at least enough to improve my function around the home and to get in and out of my vehicle and so forth.

Over the years, I've seen an erosion of that function. When I was young and I was 18, I could do some fairly significant distances with my crutches. Now I've got an accumulation of secondary complications, including arthritic joints, and I've had quite a few falls. I don't feel comfortable walking alone anymore; I have to have some assistance. Even getting up from sitting to standing is a big chore for me.

I'm a big proponent of supporting and assessing people properly, because at this stage of my life I'm very much dependent on other people to assist me with daily living, including my toiletries, getting dressed for the day. Even with mobility, I need a power wheelchair. For any kind of distance around my house or my office, I have to have a manual chair to really be functional. To be able to get around on crutches is great, but when it comes down to functionality, when your hands are tied up with crutches and your concentration is solely on being able to propel yourself forward and to stay stable and not fall over, it becomes a question of whether it's practical for me to use my crutches, many times.

Dr. Cathy Craven: The group that's controversial—they're using the standard that if you can walk 10 metres, you're okay. What we're trying to say is, if you can walk 10 metres, say, from your kitchen to your bathroom, that's not equivalent to community ambulation. On community ambulation, the ability to walk across the street at a traffic light at an appropriate speed is more the threshold that we would be looking for, but I think arguing about a threshold isn't really very valuable. I think using the autonomic standards should pick up some of those other impairments that people have.

In summary, we would like to endorse the recommendation to use the ASIA standards for those with ASIA AIS A through C, and, for those with AIS D who do not clearly meet the threshold for catastrophic impairment, that the autonomic standards be added.

The Chair (Mr. David Orazietti): Thank you very much for coming in, and thanks for your presentation.

First up, NDP caucus. Questions? Mr. Marchese.

Mr. Rosario Marchese: I welcome you here. You might have had a chance to hear many of the presenters, including the Financial Services Commission of Ontario, the two fellows who were here, and you heard from Allstate Insurance, Saskia Matheson. The insurance companies are quite happy with the changes because, as I read it, the profits have been much better in the last year as a result of cuts in benefits. Saskia Matheson was

saying that when you have increased benefits, there's a tendency for people to abuse them. You've heard the health professional response on auto insurance fraud, where they say they are concerned that insurance companies are now treating all HP as fraudulent; too many treatment plans are being denied.

So we've got two sets of problems here, right?

Dr. Cathy Craven: Yes. One of the things I think is a problem in the system, if I can speak as a clinician from my own clinical experience, is that people aren't labelled clearly as having a catastrophic impairment early. If they were labelled early, the insurance game and the plan for care for that patient could be enabled immediately, and it might limit some of the personal injury or bodily injury claims that are going on, because when people are sitting there not knowing if they are going to get their insurance claim, and their family's looking at, "I don't know how I'm going to take care of my family member over their lifetime," then they look for, "Who's going to help me pay for it?" So I think there is a role to enable expedient dealing with people who have a legitimate catastrophic complaint.

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I think for some of the patients who have a spinal cord injury or who have a very severe brain injury and have been in a coma for a long time, there's clearly no question and we need to have a responsive system for those people. And for those who have some sort of more time-limited, you know, "I broke my arm," "I broke my leg," where it's a little bit more controversial, maybe there is a different mechanism. But unfortunately, some people who have robbed the system and been fraudulent are really robbing the people who genuinely need this support.

Mr. Rosario Marchese: Thank you.

The Chair (Mr. David Orazietti): Okay, thank you. Liberal caucus: Mr. Naqvi?

Mr. Yasir Naqvi: Thank you very much. Thank you for coming this afternoon and making the presentation. I appreciate your comments.

I've got one question, and that is around communication. Do you feel that there is sufficient dialogue between insurance, medical and legal professionals around insurance issues, or do you think it needs to improve?

Dr. Cathy Craven: I think the communication can always improve. I think that the quality and volume of communication really depends on the insurer rehab consultant who's in the game. One of the biggest challenges is if people aren't deemed catastrophic right away, then we don't have the rehab consultant and those other people in place right away to help with the communication. So, again, I think that timely designation of people would really help the communication processes.

When it becomes very problematic for people is when they're looking for some third party payer, some additional source. So when people are in in-patient rehab, they have a health care system providing them with their acute resources, but our rehab lengths of stay now are being compressed dramatically. People are being trans-

ferred to outpatient services for which there are long waiting lists for therapies. I mean, the true impact if this goes forward and we don't include the AIS D is that we're going to overwhelm our outpatient therapy services by trying to serve those people who are currently attending third party clinics.

Mr. Yasir Naqvi: Quickly, do you have any recommendation as to how we can ensure timely communication?

Dr. Cathy Craven: Timely communication? I don't off the top of my head, but I'd be glad to prepare something and send it, having thought about it.

Mr. Yasir Naqvi: Thank you. I appreciate it.

The Chair (Mr. David Orazietti): Thank you. Conservative caucus: Mr. Yurek, go ahead.

Mr. Jeff Yurek: Thank you. Thank you, Dr. Craven and Mr. Watters, for coming today.

Just a quick question. It seems with this budget coming up the Liberals have full intention of changing the "catastrophic" definition. We heard today the FSCO superintendent has his report due. Minister Duncan, who has kept the report to himself, has not released it for consultation, which I think is questionable there.

If we go by our stats, fraud accounts for 15% of claims costs, whereas catastrophic is 1%, maybe 2%. Do you not agree that maybe we should slow down on the cat change and actually flip it and maybe put our efforts towards fraud? We're taking two or three years to actually do something about fraud, whereas on catastrophic we seem to be rushing as fast as possible. Would you not agree to maybe slow down on the cat changes and take it a little slower and try to up our efforts on fraud to help reduce claims costs?

Dr. Cathy Craven: Okay, I don't know what the SCI Solutions Alliance's position would be on this. I see some need to move forward with the "catastrophic" definitions, even if they're not quite perfect. I think the problem is (1) the definitions and (2) the thresholds. The two thresholds that are available are \$100,000 and \$1 million. There's a lot of spinal cord care that is above \$100,000. I mean, the direct medical costs of a spinal cord injury are \$120,000. That's the mean, but in other groups it's much, much higher. So the "catastrophic" issue for me, as a clinician who is trying to serve patients, is about the thresholds.

But designating people in a timely way and allowing the system to move forward is much more helpful, rather than—many people are sitting in limbo and it's becoming a financial hardship for them and their families to manage these people in the hope that there will be a settlement.

Mr. Jeff Yurek: And would you like to see that—

Dr. Cathy Craven: I'm saying the fraud issue, yes, is probably the larger cost. But those 1% of people whom the insurance industry is intended to help are the people who are getting the most delay in helping them.

Mr. Jeff Yurek: So you're in favour of the Liberals making the changes without releasing the report and

having consultation with everyone, or do you think we should—

Dr. Cathy Craven: I think consultation needs to happen. I don't know what's in the report, but I guess—

Mr. Jeff Yurek: Neither do I. I'm hoping it comes out.

Dr. Cathy Craven: I understand you have to pick your priorities, but—

The Chair (Mr. David Oraziotti): Thank you. That's time for the presentation. I appreciate the questions. Thank you very much for coming in today.

PROCARE HEALTH GROUP

The Chair (Mr. David Oraziotti): Our next presentation: ProCare Health. Good afternoon, and welcome to the Standing Committee on General Government. You have 10 minutes for your presentation. Thank you for being here today. Just simply start by stating your name. You can begin your presentation, and we'll have five minutes for questions at the end, or any time that you don't use in your presentation.

Dr. Saeid Sarrafian: Thank you. My name is Saeid Sarrafian. I'm a chiropractor and a physiotherapist, and presently I own and operate five rehabilitation clinics in Ontario.

In the past 17 years, I've been working at different facilities and had a chain of rehabilitation clinics with 11 locations in the past, and I've seen four changes over the last 17 years in the auto insurance law affecting rehabilitation benefits to patients involved in car accidents. With the last changes, as of September 2010, I've seen a big change in the number of patients as well as in the benefits that these patients receive.

I'm in support of preventing fraud. My submission is that regulating the rehabilitation facilities in Ontario will be a very big help, because as health care practitioners, we have regulations towards our regulatory bodies or colleges, but businessmen don't have any regulation, and they can open any facility at any time, anywhere, under a corporation and hire physiotherapists or chiropractors or other practitioners to see patients. Since these people have no regulation, they can do any kind of fraud, and with any kind of activity that they do, they put regulated health practitioners such as me into very unfair competition. These people pay big referral fees in order to receive clients. They pay referral fees to family doctors, to lawyers, to paralegals, to body shops, to anybody who can guide these clients to their facilities, and since they pay these big referral fees, they pass the costs to other insurance providers by overbilling the treatments.

On the other side, by reducing the cost to \$3,500, I can see the big damage has gone to the patients, because I see a lot of clients in the clinic, and the amount of \$3,500, the way it has been designed as blocks of treatment over a period of 12 weeks, won't help the majority of clients. The dispute is always between the patient and the insurance companies, and that's why there are 30,000 cases now in FSCO waiting for decisions.

I think if there is a premium for every driver in Ontario, and everybody pays a fee in order to have insurance—if they have an injury, the gap between \$3,500 and \$50,000 or \$100,000 is huge, and the definition of MIG is not that clear. In many cases that we provide a treatment plan to the insurance companies to get their approval, even though there are pre-existing conditions—there have been cases with fractures and there have been cases where there are neurological conditions, and all of these put the patient outside minor injury—the insurance companies deny the treatment. At this time, a lot of these patients do not receive the proper treatment, and the facilities also financially go under a lot of stress and pressure.

Any auto accident in Ontario or anywhere else is big business. From the time that the accident happens, tow trucks, body shops, part makers, mechanics, doctors, lawyers, paralegals and other health providers make money by somehow providing a service. Definitely, by having so many people in the ring, there is the possibility of fraud.

One of my major concerns is that sometimes, in this ring, patients get caught as well, and by getting involved in an accident they receive unfair treatment by the insurance companies as well as by people who are in the loop trying to make some money off them.

One thing that has bothered me also as a health care practitioner is, since I am in this industry—and the industry, even though it's big, it's small—you hear things, and if I want to call, let's say, the College of Chiropractors and complain regarding a chiropractor that I heard is doing something illegal, my report, my letter of complaint, has to have my name, and my name will be disclosed. They do not take any complaint anonymously.

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This has to change. I believe the college should take complaints from anybody and they should investigate, and if a health care practitioner who is regulated is found to be guilty of any professional misconduct, any fraud by the college, and the college revokes or suspends the licence and gives him a penalty, this also should be referred to the police for criminal investigation. I've heard and read some decisions by the college and some practitioners have done fraud, but there has been no police involvement or prosecution of these people who have been involved in these crimes.

Another issue is, a lot of assessments are done by the insurance companies and a lot of them are not justified. A lot of them are a waste of money and are just designed in order to decline claims and to say that this patient does not require any treatment. The cost of any of these assessments sometimes is two or three times more than the actual treatment plan that was proposed for the treatment of the patient. You can see that the treatment can provide benefits, but the assessment does not provide any benefit to the patient.

This was a general submission that I had over the changes that are in effect in Ontario. If any of the members have any questions, I'd be happy to answer.

The Acting Chair (Mr. Michael Coteau): Thank you, sir. I'll start with the Liberal caucus.

Mr. Yasir Naqvi: Thank you very much, sir. I really appreciate it. How do you feel the system can be made fair for the victims? Do you have any suggestions, recommendations?

Dr. Saeid Sarrafian: Well, the amount of \$3,500 is one issue, but the duration that the insurance companies or this new legislation proposes is 12 weeks and puts this on a block, and says that for the first week of treatment after injury, the amount payable is \$775, regardless of the number of times that patient received treatment. So for a health care facility that wants to provide treatment—it might be five days a week, two days a week, three days a week—it's a cost issue, but to the patient, it's the actual treatment that they receive, and I don't believe patients recover within 12 weeks. There is no research. There is no medical backup with this MIG, and there is a wide range of age between the clients. Somebody aged 10 may recover faster than somebody aged 80 or 70, and you cannot say that somebody with the same type of injury can recover in 12 weeks who is 40 years of age.

It's very unfair because the definition is very vague. It's not clear and, most times, gets abused. My recommendation is either to increase the amount or just make the 12-week period a little shorter for patients who benefit better in the shorter time—maybe eight to 10 weeks. That's a crucial time that patients receive the most amount of support and treatment, and they feel better after six to eight weeks after the injury. Twelve weeks is very open, very broad.

Mr. Yasir Naqvi: Thank you very much.

The Acting Chair (Mr. Michael Coteau): Thank you. PC caucus?

Ms. Laurie Scott: Thank you very much for appearing today. I'll follow up a little bit with some more questions. You said that the college right now does not take complaints about—

Dr. Saeid Sarrafian: That's true.

Ms. Laurie Scott: So bad-performing chiropractors basically, right?

Dr. Saeid Sarrafian: Exactly.

Ms. Laurie Scott: So there's no mechanism to report a chiropractor for not performing at all?

Dr. Saeid Sarrafian: The only way is, I have to have my name at the bottom of the letter, and my name and my letter will be sent to the chiropractor that I make the complaint about. By doing that, my name will be disclosed and open and then nobody's comfortable doing that.

Ms. Laurie Scott: Right. Okay. And has anybody in your college considered changing that regulation—because they're self-regulating, right?

Dr. Saeid Sarrafian: No. I've talked to the College of Physiotherapists and the College of Chiropractors of Ontario. I'm a member of both colleges, and they're saying that they cannot do anything, they cannot send this to the complaints committee unless it is signed and

named on the letter. If there is no signature and no name, they would not proceed.

Ms. Laurie Scott: Okay. So that adds more to our fraud problem—right?—with insurance because there is no policing.

Dr. Saeid Sarrafian: Exactly.

Ms. Laurie Scott: Okay; thank you for clarifying that.

Earlier on—I'm not sure if I caught it—you were just talking about regulating the profession; you were not saying there was another regulation that you wanted to see about a business? I don't know if I—

Dr. Saeid Sarrafian: Yes. I would like to see rehabilitation facilities and assessment centres in Ontario be regulated, and by regulation, I mean that only a regulated health care provider in Ontario can own and operate this facility. That eliminates a lot of fraud because a businessman, by regulating his facilities, cannot open and hire other individuals to run this facility.

Ms. Laurie Scott: Okay. Thank you for clarifying that. I appreciate that.

The Acting Chair (Mr. Michael Coteau): Thank you. NDP caucus?

Mr. Jagmeet Singh: Thank you very much for attending.

Remarks in Punjabi.

Dr. Saeid Sarrafian: Very good; thank you.

Mr. Jagmeet Singh: Sir, I just wondered, in your experience with regard to assessments for a plan of treatment: When those assessments are made or when a treatment plan is made, are you aware of what type of resources that insurance companies put towards refuting a claim and how much those refutations can cost?

Dr. Saeid Sarrafian: In, I could say, over 80% of cases, the treatment plans get rejected. In many cases, the reason for rejection is not clear. It says, "not necessary and reasonable." So an insurance adjuster, without any medical education or any more information about this patient, says that it's not necessary and it's not reasonable. They refer the patient to an independent examination or insurance examination. In the majority of times, these reports do not support the patient because these providers are getting paid by the insurance company. Obviously they want the insurance company's business. It's the same system that it was in Ontario as DAC before.

I've been a patient myself. I was hit by somebody back in November. Even though I have a pre-existing back condition—I have a bulge in the lumbar disc area—the insurance company rejected the treatment and sent me to a medical doctor, who examined me for a period of one hour and then later said everything was fine and I was completely normal and this is not, you know, outside me. The cost of that report, surprisingly, was \$1,700—for one hour of examination. How do you justify that? The cost of treatment was \$800. That was my health care practitioner's proposal. So they paid \$1,600 to reject a treatment plan that is \$800 that can actually help the patient.

I see these things every day.

Mr. Jagmeet Singh: So in terms of your experience, how often—

The Acting Chair (Mr. Michael Coteau): Last question.

Mr. Jagmeet Singh: Last question; sure.

How often do you see this type of practice? You run a number of clinics, or you see a number of patients on a wide basis. How often is that practice of having an independent assessor charge more or charge about the same price as the actual assessment that you're looking for in the first place?

Dr. Saeid Sarrafian: I believe, in 80% of cases, that's what it is. There are few doctors or practitioners who see the patients, so the cost of the assessment is higher. I know there is a cap of \$2,000, but they can perform three assessments and get paid \$2,000 each per assessment.

I know why insurance companies do that, because early on in the treatment, after the injury, they get the report from a practitioner saying that this patient is fine; the patient can go back to work; the patient has no need for the treatment. Later, they use these reports in arbitration and mediation, showing to the arbitrator that, "This patient was fine a year ago, two years ago, six months ago, and that's why we're not paying for the cost of treatment, housekeeping or attendant care."

The Acting Chair (Mr. Michael Coteau): Thank you very much. That's it. We appreciate your time. Thanks for coming to present.

ONTARIO PSYCHOLOGICAL
ASSOCIATION

The Acting Chair (Mr. Michael Coteau): Next we have the Ontario Psychological Association. If you can just say your name for the record. You've probably heard this a thousand times: It's a 10-minute presentation; five minutes of questions shared by the three parties. Welcome.

Dr. Ronald Kaplan: I'm Dr. Ronald Kaplan and I am the co-chair of the Ontario Psychological Association auto insurance task force. I am here with Dr. Faith Kaplan, a member of the task force; Dr. Amber Smith, a member of the task force; and Dr. Brian Levitt, who is the president of the Canadian Association of Psychologists in Disability Assessment.

We are all psychologists who have been involved in examining and reviewing the auto insurance product for many years and in working as treatment providers. I'd also like to mention that I was on the expert catastrophic impairment panel as the mental health and brain injury expert last year.

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Psychologists are regulated health professionals. All must be members of the College of Psychologists of Ontario. Psychologists are accountable to the college for both their professional and business practices. The college has about 3,600 members, including psychologists and psychological associates. The Ontario Psychological Association has approximately 1,500 members. CAPDA

has 150 members who do independent medical examinations and insurance assessments.

Psychologists are highly trained mental health professionals, one of only two professions that can legally diagnose a mental disorder in Ontario, with training in research, diagnosis and treatment. A doctoral degree in psychology involves more than 10 years of post-secondary study and supervised training. Psychologists provide effective and efficient care based on scientific research. The essence of professional psychological practice is its adherence to the scientific stance. We believe this leads to significant cost savings to the individual and the health care system. We believe cost control is necessary and essential, but it has resulted in harm to some injured accident victims. We believe this doesn't have to be the case.

Auto insurance policy must balance maintaining a viable system, affordable premiums and providing benefits to injured accident victims for timely treatment. Multiple measures brought in in September 2010 appear to be controlling costs, reflected in statements regarding increased profits of insurance companies. Achieving cost control is important, but we must consider some of the consequences and determine if some adjustments may be necessary.

First, let's review some of the ways cost control measures are harming some accident victims. Dr. Amber Smith will now speak.

Dr. Amber Smith: First of all, we have to recognize that psychologists usually are seeing a very select proportion of injured victims, but they tend to be the ones with the most problems—the most vulnerable—the greatest disability and creating the greatest burden on the system. In current Ontario data, it's about 2% to 4%.

Auto accidents are the biggest cause of civilian brain injuries and post-traumatic stress. The only way to measure impairments in thinking, feeling and behaviour after a traumatic brain injury is through proper neuropsychological assessment. The most effective treatment for PTSD is psychological treatment.

Depression is the number one reason for disability. Psychological treatment for depression, especially the kind experienced after an accident, is at least as effective as anti-depressants—in some cases, more effective—and costs less than medication in the long run. But our patients, when they can't access this care, are not the ones who will be vocal about the barriers they're facing. They're depressed, stigmatized and dealing with invisible disabilities that other people don't understand. This system is not being kind to them, and they are not getting the care they need.

Adjusters are denying applications without discussing them with the proposing psychologist. We need better communication. There is a failure to provide a medical or other reason as a basis for the denial. We're having difficulty reaching adjusters to ask any questions. Excessive denials cause delay and harm to patient rehab and additional costs to the system that do not contribute to patient rehab.

The application and approval process has become more adversarial. In our data, denials of treatment plans have nearly doubled, but the second-opinion reviewers are approving nearly two thirds of those after the insurer denial. All that does is generate extra costs and delays and barriers for the people who need the care that was proposed in the first place.

Currently, we're being asked by insurers to submit smaller plans even for patients with very complex presentations, when we are clear they're going to need much, much more care. Smaller plans are more likely to be approved—double the larger plans in our data.

Unfortunately, in addition to insurer decision and the number of applications, the number of applications with no response has increased dramatically. While we push for a second review of our denied proposals, we're often unable to reach the adjuster or to find out what's happening, and more applications are being lost to pending status. We generally do not know why our plans are denied, and so we have difficulty shaping future applications.

When they're referred for a second opinion, patients now have to wait months for these appointments, and they have no services while they wait. Insurer response to a proposal is required within 10 days, but if referring for a second opinion, there are no timelines for when the referral must take place and how long the person doing the second opinion can do the report. It's often several months, and then the person is worse when they come back for treatment later.

In addition, insurers don't always obtain an appropriate IE. Sometimes they get other health professionals who don't understand psychology assessment and treatment or the requirements of the SABS, and they don't know about our profession-specific guidelines that are based on scientific research. The examiner may be from another profession.

We also have misapplication of the minor-injury definition and minor-injury guideline. We have a preponderance of cases, unfortunately, that are referred to us with clear concussions and clear post-traumatic stress that have been restricted to the MIG—the minor-injury guideline. These people can't access any care, and they're in severe need.

In addition to that, you have significant delays in dispute resolutions. Accident victims who disagree with the insurer's determination have to wait over a year for mediation prior to arbitration to address the dispute. They're not getting timely access to treatment, even if it's approved later, and then the disability is more chronic.

The reduced \$50,000 benefit is insufficient funding for seriously injured accident victims who may not be cat and who haven't yet been determined to be cat. Accident victims with multiple physical injuries, brain injuries and psychological disorders may require intensive treatment, home modifications etc., and \$50,000 doesn't cut it.

Dr. Ronald Kaplan: Dr. Levitt?

Dr. Brian Levitt: I'm just going to make a couple of quick points following off what Dr. Smith has just

spoken about. The first point I want to make is that catastrophic criteria may be too restrictive, and we've already heard about that today. Complicating this, gaps in coverage are created as a result of having lower standard benefits.

A further restriction occurs by only allowing physicians to complete catastrophic impairment applications—OCF19s—except when there is only a brain injury, and patients with mental and behavioural impairments are restricted because they're unable to have their application completed by psychologists with appropriate expertise in diagnosis and rating. Also, there is a risk of harm to seriously injured patients if the criteria are made even more restrictive.

The second main point I want to leave you with today is that the catastrophic impairment criteria must be fair, reliable and valid. There is particular risk to those needing immediate identification and with less obvious injuries, including brain injuries and mental and behavioural disorders.

You may hear a number of things about combining physical and mental and behavioural impairments with respect to catastrophic. One thing that I want to mention with respect to that is that valid and reliable mental and behavioural ratings can be determined. I have several published articles addressing this that we'll include in our written submission.

I also hear a number of fears that combining mental and behavioural impairments with physical would lead to large numbers of catastrophic claims. Those fears, I believe, are unfounded. When we look at the data from our own clinic—five years of data we collected in our assessment centre, which represents about 250 patients who were assessed for catastrophic over that time—only a couple more patients each year would be deemed catastrophic based on combining mental and behavioural with physical. However, catastrophic impairment was critical to this very small group of accident victims, as it provided an opportunity to apply for funding for required services.

The Acting Chair (Mr. Michael Coteau): You have about a minute left.

Dr. Amber Smith: Psychologists are experts in diagnosis, treatment and rating. They can play a key role in addressing all the issues we're raising today.

Provision of evidence-based psychological services is cost-effective. It provides cost offset to the rest of the system and reduces the cost of other services and disabilities.

We have profession-specific guidelines that are based on internationally accepted science. Psychologists are generally proposing and reviewing based on those guidelines, but there are pressures on both proposers and reviewers to trim and limit so much that patients are not getting the kind of care they need.

We're developing tools to help identify who is appropriately included or excluded from the minor injury guideline. We're trying to reduce inappropriate applications, inappropriate denials and unnecessary disputes.

We're developing guidelines for IEs. We've developed a group to do that and engage a broadly representative group to work on this.

We want to improve the quality of the second-opinion reviews—the credibility—and reduce subsequent disputes.

Dr. Ronald Kaplan: Dr. Faith Kaplan—

The Acting Chair (Mr. Michael Coteau): I think you're a bit past 10 minutes. Do you want to take 30 more seconds and just conclude?

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Dr. Ronald Kaplan: Yes. Dr. Faith Kaplan will conclude.

Mr. Yasir Naqvi: Chair, I'm willing to give my time for my question—for you to finish your presentation.

Dr. Faith Kaplan: Just to go back to where everybody started this afternoon, we absolutely agree that anti-fraud measures are critical. What we would like to see is those funds be able to be used or saved so that there are sufficient funds available for those who actually need them. As a profession, we are into this wholeheartedly because we're very concerned about misuse of health professionals in any way. We have been part of the pilot to look at the professional identity tracker and we are very supportive of any actions we can take as health professionals to help reduce fraud.

We're also very involved in supporting the development of the HCAI database, because we believe that will be a way to provide information that can be used to shape policy decisions as we all go forward in terms of giving us realistic numbers to know the actual incidence of injuries, the utilization of services and also, perhaps, to help identify areas of practice that do need to be looked at more closely.

Dr. Ronald Kaplan: Thank you for the opportunity to meet with you. We appreciate that we covered a lot of ground very quickly. We'd be happy to answer questions today and we'll have more material in our submission.

The Acting Chair (Mr. Michael Coteau): Thank you, doctors. We'll start with the PC caucus.

Mr. Jeff Yurek: Thank you, doctors, for coming out today. It was very quick and I look forward to reading your whole submission.

I just want to make the comment that mental and behavioural conditions that occurred—accidents. I mean, you look across the province of Ontario with our health care system, those are usually the problems that slip through the gaps. I'm glad you guys are working towards that. I urge you, if and when Minister Duncan releases the catastrophic report, to take a good look at that and consult on it before regulations are changed.

Dr. Ronald Kaplan: Thank you, Mr. Yurek.

The Acting Chair (Mr. Michael Coteau): NDP caucus, any questions?

Mr. Jagmeet Singh: Yes. You indicated a couple of points regarding more denials creating more disputes and more delays. In your own experience, how does that drive up costs?

Dr. Amber Smith: There's an administrative burden associated with each denial and chasing each denial and

then getting a second assessment opinion that two thirds of the time supports our plan in the first place.

Dr. Faith Kaplan: I think there's another unintended consequence to the degree it causes delay for the patient and added stress. When they are actually seen, their condition may be more difficult and more protracted to treat than it would have been initially.

Mr. Jagmeet Singh: And would you agree with me that treatment is most important right after an accident occurs and any delay in treatment right after an accident occurs could impact future rehabilitation and getting back to the best or the optimal condition you can get back to?

Dr. Ronald Kaplan: Yeah, there's always a best time for treatment, especially with acute stress disorder, post-traumatic stress disorder and brain injury. It's very important to have early intervention.

Mr. Jagmeet Singh: And just one thing, if you could comment on, from FSCO—I'm not going to quote. I'm not sure who it was, but it was a remark that the insurers are partially to blame for some of the costs that have been incurred or some of the costs related to delivering services because they didn't verify if some treatments were required or not. I don't think they mean rejecting or denying, but just verifying if a treatment is required. What's your response to that, if any?

Dr. Faith Kaplan: I think it's a good opportunity to comment on a comment that was made before about the need for communication. We understand there will be some work done on dispute resolution and we would hope that could also move towards including dispute prevention and ways to encourage more dialogue. There is now more time for an adjuster to consider an application.

We would like to see more opportunities for there to be an actual dialogue that would allow the adjuster to weed out and determine which applications actually need that kind of scrutiny of a second opinion, where there's a specific question that can be addressed, and come to some resolutions that might be more efficient and cost-effective.

The Acting Chair (Mr. Michael Coteau): Thank you very much.

Dr. Ronald Kaplan: Thank you.

FAIR

The Acting Chair (Mr. Michael Coteau): Next, we have FAIR. Welcome. I'm sure you've heard: 10 minutes; five minutes for questions. You're okay with that?

Ms. Marianne Reichert: Yes.

The Acting Chair (Mr. Michael Coteau): Okay.

Ms. Marianne Reichert: Good afternoon. Jaisa and I will share the time.

I'm honoured to speak on behalf of FAIR, which stands for Fair Association of Victims for Accident Insurance Reform. Today, I would like to speak not only on behalf of my husband and myself but also the 12,000 adults and children who sustain serious injuries in car accidents in Ontario every year.

My name is Marianne Reichert. My husband, Jörg Reichert, was involved in an automobile accident in October 2007 which left him with serious and permanent personal injuries, including head trauma. Jörg lost his cognitive skills. He has major depressions with personality change.

That day changed our lives. Jörg lost the life he loved the most. He was a brilliant and successful businessman and entrepreneur. Jörg and I had the privilege to build Mövenpick and Marché restaurants when we came to Canada in 1982 until 2004. Jörg worked hard, and with his creative approach and amazing leadership, he changed and impacted on millions of fans of our restaurants. His affiliation with Loblaws, his ability to take our company public and always be on the edge with his ideas made him a leader and known figure in the industry. We have about 80 reference letters from movers and shakers, and previous management will confirm the same.

After we left Mövenpick/Marché in 2004, we opened a large restaurant concept on Highway 400. We had big plans for expansions. Jörg never stopped. His business life was his golf course. He was always a great provider. We have twin daughters who are 16 years old, and we adopted our daughters from China in 1997.

The accident changed our lives drastically. From one day to another, Jörg could not function anymore and changed. It was horrific to see. Over four years later, today, he is still the same, and we are at the end of our rope.

The insurance cut Jörg off all treatments two years after the accident. If they would have not done this, Jörg could have continued with his OT, physical program, counselling and naturopath, along with all of the other recommendations by his medical experts, and he would have had a chance to recover. In no time, the \$100,000 plus assessment costs was used up. If he was injured today, he would only have \$50,000 for medical and rehab, including assessment costs. This is far not enough, and does not allow victims any chance of getting their lives back.

I am the sole caretaker of Jörg and have not received any attendant care benefits, neither for the past or current. I was not able to create any income because I look after Jörg and our daughters and all of our administrative affairs in our home. Jörg's depression and thoughts that life would be better without him have impacted our two daughters and me tremendously. We do not travel anymore. We do not socialize. We are walking on eggshells around Jörg. Jörg used to be a social butterfly and connected to everyone very easily. Now he does not even call his brother.

The accident also wiped out all of our savings and assets. It is horrific. Even with all of our financial resources, we have not been able to cope. We have lost everything. Jörg had to surrender his life insurances in order to receive cash out of them. If we are not successful with the sale of our last asset and the home we live in, we will lose it to the bank soon.

We both did not generate any income since 2007. This has had a horrific impact on us and others. Ever since Jörg's private disability insurance stopped about two years ago because Jörg became a senior, we have lived from family and friends, and most of our creditors have been very understanding. But it's just a matter of time that they will lose their patience too.

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I have started to sell furniture to support our life. Can you imagine asking family and friends to give you money? Can you imagine being in front of a court trying to reason why you did not pay your credit card bills? No one can. It is beyond any belief what we need to go through, and not to lose our dignity.

Jörg has been deemed catastrophic by medical experts. His medical file is 2,000 pages. When the "catastrophic" submission was made, they insurer sent Jörg to four doctors. All these doctors, three of them, took exactly 45 minutes to assess him. They were curt. They were rude. They handled him and dealt with him like a commoner. All four decided that Jörg is not catastrophic, overriding any other expert reports which we have.

What did the insurer do? The insurer listened just to the four of them and made the decision that Jörg is not catastrophic. With any catastrophic determination, we would have received retroactive payment and would have been able to pay our mortgage and go on with life and try to sell our house in order, which we can't do now because of those four doctors who have treated us very poorly. But the insurer listens only to them. There's nothing you can do. There's only the arbitration process you can do—nothing we can influence or our lawyer. Our lives would have been much easier after the accident if Jörg would have been designated catastrophic much easier and faster. Suffering emotionally and financially is absolutely catastrophic and horrific.

The insurance system is not functioning, and those with serious injuries like my husband and many others are grossly underfunded. The government should increase non-cat funding, at least back to the pre-September 2010 level, and look at increasing that further. This limit has been in place for over 15 years.

It can absolutely not be allowed that the government tries to make it even now harder to become catastrophic. It is not. I am a witness of what can happen to someone in that case and not being looked after. The definition of catastrophic should be expanded on and not contracted.

Take the FSCO system. I know, only through our lawyer, who is an excellent lawyer and who really tries to look after us—I'm learning that it's overworked and backlogged, and any dispute is just not dealt with. All of our benefit claims are backlogged. They're not being dealt with. We have no source of hoping that maybe a few thousands dollars come to us. It's not being dealt with. The arbitration for the catastrophic is the only way, and it will take up to six months. What do we do? My husband always says, "Ma, we can live under the bridge." That's his take on it.

Someone has to take responsibility for the victims and make sure that their well-being is looked after, including their families. The insurance must give their clients the comfort that they will be there when things go wrong. The protection has to be of an appropriate magnitude and barrier-free. The insurance is taking the position that the system is abused. Maybe it is, but every system is. But it cannot be that a group of seriously injured people is being neglected by this thinking. By doing so, they're abusing the victims. We are the victims of the insurance.

The Acting Chair (Mr. Michael Coteau): There's about a minute left in your presentation, the allocated time.

Ms. Marianne Reichert: I'm not sure what will happen—and I will pass on to Jaisa—but I will try to reach out with my experience to help as I can. Thank you very much for listening.

The Acting Chair (Mr. Michael Coteau): How long is your presentation?

Ms. Jaisa Sulit: Three and a half minutes, if that's okay. Thanks.

Good afternoon, everyone. My name is Jaisa Sulit, and last August 2010, I was involved in a motorcycle accident that left me with a burst fracture of T12, a spinal cord injury, and cauda equina syndrome. I was deemed catastrophic.

For the first several months after the accident, I had to use a wheelchair, but with frequent therapy at Toronto Rehab, I was discharged home, walking with a walker.

Now, fortunately for me, I was able to access cat benefits before I was discharged, meaning that I was able to continue with the rehab that I required with no gaps in my care. Almost two years later, after committing myself full-time to physiotherapy four days a week, massage therapy weekly, social work biweekly and physiatry for botox every several months, and a period of time working with an OT and a dietitian, here I am now walking with just one pole and requiring a wheelchair only for long distances. Because of the cat funding for all of the rehab that I've done so far, I have obviously made progress, and I continue to progress. Because I've had access to cat benefits, I've been able to take some professionally related courses so that I not only can one day work productively within my physical limitations, but I can return to a career that I enjoy doing. I have high hopes that I will be able to gradually return to work as an occupational therapist by the end of this year.

So, ironically, yes, I'm not just here as a patient, but I'm here as a health care professional as well. I have eight years of experience in both in-patient and outpatient rehab, but only now, now that I've been able to walk in the shoes of the patients we're talking about today, do I have an understanding of the very complex and long-term care needs of our patients. Even as a health care professional myself, I was never aware of this long journey of recovery that our patients face. Only now, as a patient myself, do I understand that recovering from an injury like mine may take five years, 10 years or even more.

Currently, it is estimated that less than 1% of all accident victims are deemed cat, yet the government is considering changing the definition to make it even more difficult to achieve this designation. That is because it will include individuals like me who have spinal cord injuries but are able to walk, as well as many others with serious injuries, including adults and children with brain injuries. This is happening when in fact the cat definition should be more inclusive, not less, given the cuts in non-cat funding.

Under this proposed new cat definition, I would not be deemed catastrophic, meaning that instead of the cat funding that I still do require today, I would only have had \$50,000 in funding and all of that would have been exhausted within the first nine months after my accident.

Without the cat funding, I really would not be here as I am today. It's only because I've had the cat resources that I have been able to commit full-time to my recovery, not just physically but mentally as well.

Catastrophic funding is why I'm able to continue to see a multidisciplinary rehab team that has not only helped me regain physical and functional abilities, but has helped me to adjust to living a life with a disability.

Fortunately, I am learning how to cope with pain, loss of abilities, depression, frustration and irritation, and changes in my relationships. This is not just simply about money; this is about what this money means to the patients who need it the most. Without cat funding, I'd have no more money for any more rehab—not just for physio, massage, social work and physiatry, but also I'd have no money for vocational rehab. But because I was—

The Acting Chair (Mr. Michael Coteau): Can we stop the sidebar conversations on both sides?

Sorry, continue.

Ms. Jaisa Sulit: Thank you. But because I was appropriately deemed catastrophic, I now continue to have the resources that I do require for this long journey of rehab. Because of this cat funding, I have hope that I will be able to run and dance again. I have hope that I will be able to return to a job that I enjoy doing, and I have hope that, in time, I will make enough recovery to do all the things that bring meaning to my life.

So my story of continuing progress because of frequent, ongoing, long-term rehab is what anyone here deserves. It's a chance of returning to a type of life that you actually want to wake up for. So please take a moment right now and just think: If you were to walk out of here today and you or a loved one were to have an accident, whose shoes would you rather be in: those of Mrs. Reichert's husband or mine?

Thank you.

The Acting Chair (Mr. Michael Coteau): Thank you for your presentation, both of you. We appreciate it here at the committee.

We'll start with the NDP caucus. Questions?

Mr. Jagmeet Singh: I just want to thank you very much for taking the time to share your stories. The contrast between the two stories is stark: having abso-

lutely no treatment and being rejected and denied versus having the future prospect of rehabilitation through receiving benefits, as you should. That's a very stark and very clear example of the way it should work and the way it shouldn't work. So thank you for taking the time to share your stories.

The Acting Chair (Mr. Michael Coteau): Thank you. Liberal caucus, anything?

Mr. Yasir Naqvi: I just want to thank both of you for coming in and sharing your personal stories. It makes a big difference in the work we're trying to do here. Thank you.

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The Acting Chair (Mr. Michael Coteau): The PC Caucus.

Mr. Todd Smith: Yes, I would agree. Thank you both for your stories. Startling differences in the two stories, and obviously, there are some gaps that need to be filled in. I appreciate both of you coming here and telling your stories to our committee. It means a lot to us to hear from you and hear your real-life stories.

Ms. Marianne Reichert: Our pleasure

Ms. Jaisa Sulit: Thank you for listening.

BROWN AND KORTE—BARRISTERS

The Acting Chair (Mr. Michael Coteau): Our last presentation is Brown and Korte insurance defence litigation firm. Welcome. So, a 10-minute deputation and five minutes for questions. Thank you very much for being here.

Mr. Harry Brown: My name is Harry Brown. I'm the senior partner of a law firm called Brown and Korte. We do insurance defence work primarily. I specifically do a lot of insurance legislative development.

Just to start the story very quickly, I was here in January 1988 for Bill 2. I don't think any of you know what that was, but Bill 2 was the start of the Ontario Insurance Commission; it was the start of FSCO, the Financial Services Commission of Ontario. From there, I took a year with the hearings on no-fault legislation and other related matters and so forth. I've done about 100 cases at FSCO. I do a lot of the insurance work.

My argument today that I want you to hear—I have no financial interest whatsoever in the outcome; I have no interest with respect to individual parties or with respect to individual ministers. I've dealt with most of them from 1987 to the current time. The problem though, it's my submission to you, is that there is insufficient proactive regulation of the auto insurance product.

I'm going to start by saying that if anybody thinks that the 34/10 changes to the product solved the problems, they're nuts. That's the bottom line here. We see the issues. We see them today. The MIG issue is starting. You've got the new catastrophic issues. You've got many, many different issues. You've got the problems of regulation of not just the fraud issue; you've got the regulation of the health care providers.

You've got situations, for example, that the government—in my submission, there's what I call the disconnect. If this was OHIP, the government would be taking steps on a yearly basis to analyze the problem and solve the problem before it goes cataclysmic.

We saw it back on October 1, 2003. The rates went up 20% in one year. That was only in Ontario. In the GTA, they went up twice that much. Just before the changes on September 1, 2010, we had the same situation. The rates went up hugely in the GTA, approximately 44% in a year. That's because the system was broken.

But the signs of the system breaking were there for four or five years before. You can see, in 2004, rates were going up dramatically for assessment costs. Assessment costs were just pennies, proportionally, of the system. In 2004, SABS costs totally were \$1.8 billion, and in 2010, they were \$4.5 billion. If that had been the whole year—because really, the problem stopped on September 1, 2010—it would have been \$5 billion.

All those cost pressures in the system were there to be seen. But because the government sets the product but they don't have to pay the cost, except for the MVACF, there's no financial incentive for governments to go ahead and try to deal with the system earlier on. I've talked to ministers—I've talked to Conservative, I've talked to Liberal and I've talked to NDP ministers—about changes that could be made on an ongoing basis, on a yearly basis. Many of them say, "Gee, that's a good idea. We'll think about it. Come back later." And they do get implemented. All of them got implemented.

The 42.1—the rebuttals—that's one of the major reasons why at 30,000 FSCO mediation stalled. What happened was the care providers—in 2004, we did a study for RBC. RBC showed that on average you were getting six or seven treatment plans for, say, a \$1,500 whiplash. That's \$1,500 of a dent to somebody's bumper—a WAD-1 or WAD-2 whiplash. In 2009, you're getting 60 applications for treatments; you're getting 60 applications for assessments. And by August 31, 2010, the cost of assessment was more than the cost of treatment, which in my submission was ridiculous. But all that could be seen going back.

I went to Willie Handler, really the policy guru for FSCO, in 2009 before he issued his white paper on March 30, 2009, and said the rebuttals had to come out. The rebuttals were driving five or 10 of these treatment plans per week, and the reason was because the assessors got \$450 for just pressing a button, doing the same rebuttal to the report. If they saw somebody, it was \$750 and if you were dealing with their cat, you're dealing with \$20,000 to \$40,000 for the rebuttal reports. Willie said, "Good idea. Go downtown. Go somewhere else." There was nothing going on.

Back in 1999, I went to see the PA for Mr. Eves who was running the auto insurance reforms at that time and said, "What about taking CPP off the post-104-week disability?" He said, "Good idea. Maybe we'll think about it." Nothing happened. That product blew up, and by October 1, 2003, what he did was he took off CPP, not

just post-104, but for every payment of IRBs, but he made it retroactive to January 1, 2002.

There has to be a proactive approach to the auto issue, because these problems are still here. They're going to fester. I'm not saying which policy should be enacted. That's for you people to figure out. What I'm saying is, there has to be an annual review of the product to put it in balance on a yearly basis.

You do have plans in the legislation that deal with reports on SABS every two years, a huge revision every five years. Let's put it this way: October 1, 2003. They started looking at it in 2008. They finally put out reform 34/10 on September 1, 2010, which was seven years later. I mean, seven years—truly, and no significant change to the product, and everybody could see the explosions coming? Why would you have the people of Ontario, including the people in the GTA, pay ridiculous premiums because the government of the day and FSCO hadn't taken the initiative to try to solve the problem before it blew up? That's really what my belief is here.

I'm going to say this to you: You probably have one of the best insurance commissioners ever in the last 20 years, in my opinion, after dealing with all of them. He's quite proactive. But there has to be something that forms a link between FSCO, the problems it sees and knows about, and the government to take steps to affect these programs before it blows up.

Any questions?

The Acting Chair (Mr. Michael Coteau): Thank you, sir. The Liberal caucus.

Mr. Yasir Naqvi: Thank you for your very succinct presentation and your point.

One of the major works that is going on right now is around anti-fraud. I'd like to hear your views and to what extent you think fraud is a factor in the rates and the premiums that we see right now. Does that fit into your proactive approach that the government and FSCO should be taking to deal with auto insurance?

Mr. Harry Brown: I think FSCO and the government today are taking significant steps to deal with fraud. Fraud is a very real issue. I have a case starting at FSCO on June 11, and I'm calling eight doctors who will say that of the 80 OCF-22s, which is an application for assessment, and the 80 OCF-18s—this is a whiplash case—that they submitted, these eight doctors will say that their signatures were used without their permission, electronic signatures. I'm calling those eight doctors, and they're eager to testify. And I know how they got them.

Fraud is a huge issue. We do a lot of fraud investigation for insurers.

I'm going to say this, too, to put it in balance: One of the problems is there have been so many accident benefit claims combined with tort claims that the insurers simply want to take a cost-effective solution. So they didn't bother using, for example, examinations under oath until recently, in the last couple of years, to really determine if there's a fraud in those cases. To a certain extent, they're the author of their own misfortune. I act for insurers, but I'm saying that. If you take a look at a fraud and you say,

"That's fraud in that case. I'm not going to pay anything. I'm going to go through a trial, I'm going to go through an arbitration and expose the mess," you may win, you may lose, but at the end of the day you have to expose it. You have to take a strong stand.

The Acting Chair (Mr. Michael Coteau): PC caucus?

Mr. Jeff Yurek: Thanks for coming today and speaking to us. I like your idea about a yearly review. Through the campaign, I heard from a few brokers the fact that five years is way too long to actually fix problems that do arise.

I just want your thoughts on the mediation. Right now, we have a backlog of 12 to 18 months. If they do make changes just to the catastrophic, I imagine it will shoot up further. Is there a way to streamline the process?

Mr. Harry Brown: The problem has been building up for years. It started off when they took out the DAC system, I'm told, and there was a massive number of treatment plans that were denied in the lead-up to the September 1 changes. You were getting 10 a week and a whiplash case. That's in there, plus the MIGs are in there. 1830

There is a case—my partner is handling it—from one of the insurers, Aviva, which is going to the Court of Appeal. A judge in Kitchener ruled that 60 days was the valid timeline. I think there has to be access to justice. I think that what's going to happen is, the Court of Appeal will likely uphold the justice in Kitchener, and then you'll see these cases come out.

I got an email from FSCO, I think this week, saying that they're stacking up new arbitrators and new mediators to try and resolve the backlog.

The mediation process is nothing. You can have a mediation in 10 minutes. It's really easy. The problem is: Going into the court system or going into the arbitration system; that's where the backlog is going to be. But it's easily dealt with, really.

The Acting Chair (Mr. Michael Coteau): Mr. Marchese?

Mr. Rosario Marchese: Thank you, Harry, for the presentation. I need to agree with the recommendation you make. I don't know whether you were here when I asked the FSCO people about the rate of return, which was set in 1996.

Mr. Harry Brown: I was at the hearings. The rate of return was set in 1989; 12.5%. I was on the council.

Mr. Rosario Marchese: I was puzzled by the fact that they haven't done any review of their own. Then all of a sudden, the Auditor General said, "You should do a review," and they said, "We agree." So now they have the energy, but a year ago, when they thought about it, they didn't have the energy or the people. But, pressed by the auditor and presumably the government, all of a sudden they have the energy.

Mr. Harry Brown: I think the Auditor General's report really shed a lot of light in a dark corner, and I think that made things happen very quickly. I also think that nobody realistically sees any insurance company in

the last 20 years doing a rate of return of 12.5%. That was based in 1989, when you had high inflation and Bell was doing 8%, 9% and that sort of thing. It's not realistic, and I think most insurers will tell you that.

There have been a few little blips along the way when they announced a new product and the insurance companies said, "Okay, then I don't have to pay tort claims anymore because it's permanent and severe," and then later it turned into a six-month whiplash; it got you over the threshold.

I think the other big problem is—for example, one of my clients lost \$1.040 billion two years ago in Ontario. We were all afraid they were going to withdraw—

Mr. Rosario Marchese: Who?

Mr. Harry Brown: State Farm. I can tell you, if I speak to any company in Ontario, I say, "Don't put any business in the GTA. I don't care what the premiums are; it's just a disaster." The biggest problem at FSCO, to answer your question, was that they were worried about loss of capital, not about people making too much money.

Mr. Rosario Marchese: Thank you.

The Acting Chair (Mr. Michael Coteau): Thank you very much.

Mr. Harry Brown: Thank you.

The Acting Chair (Mr. Michael Coteau): Now, MPP Singh, you have a request, I believe.

Mr. Jagmeet Singh: Yes. Just to clarify, I wrote it—it's a bit confusing. It's a request but I put it like a motion. I just wanted to clarify. There were three things that were indicated today that there would be follow-ups on.

FSCO indicated two issues they would follow up with. One was the current rate differential for adjoining terri-

tories. The percentage initially was 10%; they weren't sure what it is now, and they wanted to clarify what the current rate is.

Just as an aside, FSCO is well aware of what that is. That's something that they set. So if it was set at 10% before and it's changed now, it's something that they should readily have access to.

Mr. Rosario Marchese: So we're requesting that information.

Mr. Jagmeet Singh: So we're requesting that information and that it be, hopefully, tabled by the next time we're sitting.

The second one is, they also indicated they had claims data for the first half of 2011 and that they would provide that, as well as a comparison with the claims data for 2010.

Those are the two things that FSCO indicated they had. I just wanted to clarify that. I know that Madam Clerk is taking notes on this so that she can follow up.

The last piece was that Allstate indicated that they were prepared to present their claims data for 2011. That's the other clarification.

Those three things, if we could—

The Acting Chair (Mr. Michael Coteau): Those three things are on the record. We'll take it as a staff undertaking, a staff request, to gather that information.

Mr. Jagmeet Singh: Sure.

The Acting Chair (Mr. Michael Coteau): That's fine.

Mr. Jagmeet Singh: That's it. Thank you.

The Acting Chair (Mr. Michael Coteau): No other items on the agenda. This meeting is adjourned.

The committee adjourned at 1835.

STANDING COMMITTEE ON GENERAL GOVERNMENT

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Mercredi 30 mai 2012

Standing Committee on General Government

Automobile insurance review

Comité permanent des affaires gouvernementales

Examen de l'assurance-
automobile



Chair: David Oraziotti
Clerk: Sylwia Przedziecki

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GENERAL GOVERNMENTCOMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES

Wednesday 30 May 2012

Mercredi 30 mai 2012

The committee met at 1602 in room 228.

AUTOMOBILE INSURANCE REVIEW

The Chair (Mr. David Oraziotti): Good afternoon, folks. We'll resume hearings on the auto insurance industry study.

MS. ELAINE MOORE

MR. JOHN SANDERSON

The Chair (Mr. David Oraziotti): Our first presenter is the city of Brampton. Would you like to come forward? Good afternoon. Welcome to the Standing Committee on General Government.

Ms. Elaine Moore: Just take any seat here?

The Chair (Mr. David Oraziotti): Absolutely, that's fine. You have, as you're aware, 10 minutes for your presentation. There will be five minutes for questions among committee members combined.

Ms. Elaine Moore: I'll speak as fast as I can.

The Chair (Mr. David Oraziotti): Any time that you leave will be divided among members, but what you can do for our recording purposes is simply state your name and then you can proceed when you're ready. Thanks.

Ms. Elaine Moore: Thank you. Good afternoon, honourable members. Thank you very much for the invitation and the opportunity to speak to you today. My name is Elaine Moore. I am a regional councillor in the city of Brampton, and I'm joined here today by regional councillor John Sanderson. We are not here today in our official capacity; however, as you can imagine, the offices of city and regional councillors have received a multitude of calls of concern from our residents, taxpayers and businesses in Brampton who are outraged about the increase in insurance rates solely because they have a Brampton address. We're going to share with you today our own personal perspective as well as an example of a typical scenario being played out daily between Brampton residents and Brampton's insurance brokers.

From a personal perspective, my husband and I own five automobiles. We are Ford Motor Company's best customers, I think. We own a 1966 Mustang and a 1967 Fairlane that are insured through a specialty insurance company, and the rates for these two vehicles have barely increased over the past 12 to 14 years. We insure both for

less than \$300 a year and there is a list of restrictions on these policies. We know that non-compliance puts our coverage at risk on these vehicles. We also own fairly new daily-use vehicles and we have a pickup truck because no man is complete without one. We both have pristine driving records, and the only time we've had to go through our insurance company has been when someone else has been charged with damaging our vehicles.

This year, we got our insurance bill and it had increased by over \$1,200 for the three autos. We were absolutely shocked. Our insurance broker has shopped around for a better rate for us, which they do at every renewal date, but the past couple of years has been very difficult. His efforts did net some results this year; however, in order to achieve the better rate, we had to also move our home insurance to the company to get the multiple discount. This all-or-nothing policy is problematic because our home insurance doesn't expire at the same time as our auto insurance, so a good chunk of the savings on the auto insurance has been eaten up with the penalty that we now have to pay to cancel our home insurance prior to its expiry date. So I guess if you don't own a home, you don't qualify for the discounts.

Two years ago, my 79-year-old father moved from Woodstock to Brampton. I have one sister in Brampton and one in Milton, and with his age and his increasing need to access the health care system, it just made good sense to move him closer. He had been travelling from Woodstock to Brampton or Milton at least three times a week—three daughters, three free lunches or dinners. Nearly his entire life he was a truck driver. He loves to drive and he's a great driver, and to the best of my knowledge, he has never had an accident. But when he got his first insurance renewal after he moved to Brampton, he was ready to pack up and move back to Woodstock. His insurance rates had exactly doubled. He is a senior citizen on a fixed income, and, like many in Brampton, he is understandably concerned about what next year's bill is going to bring.

The bottom line is that while he goes out every day to meet the old guys at a local donut shop, goes for fish and chips on Fridays, makes the short trip to my sister's in Milton or in Bramalea for lunch or dinner and his regular doctor's appointments, he is putting less miles on his car today than he was two years ago because he's not travelling along the 400-series highways, and his insurance rates have doubled just because he has a Brampton address.

He is maintaining his independence, which is so incredibly important for our seniors, who need to be kept active and engaged. The option of giving up his vehicle because of escalating insurance rates should not be something that he has to consider.

In Peel region, we continue to have one of highest unemployment rates in Ontario. Many of our folks are struggling to keep their homes and their vehicles. They are making sacrifices just to get by, but there is a real likelihood that when they find employment, it will not be within the Brampton community, and not having a vehicle is just simply not negotiable for them. Despite the significant municipal investment in our public transit system, it is just not an option for everyone.

This really brings me to my next point: Why should where you live be the primary determinant of your insurance rates? Brampton has many residents who travel outside of Brampton for employment or school, hence, their vehicles spend more time outside of Brampton but their insurance rates are based on their home address.

Conversely, Brampton's business community, including the corporation of the city of Brampton, has employees with addresses in Guelph, Georgetown, Erin and Orangeville. Their vehicles probably spend more time in Brampton than in their home community, yet these good folks enjoy a cheaper insurance rate. This just simply is not fair or right.

In the areas that Councillor Sanderson and myself represent in Brampton, there are five insurance brokers—all have been located within half a kilometre of each other in the downtown, and they've been there for decades. So we have a particular concern for the sustainability of the generational relationships that they have built over these many years. Many of their clients are seniors who have enjoyed and appreciated the personal service.

People lead busy lives and many don't have the time for the call centre approach to shopping around for the best rates. Seniors, especially, find it frustrating. They prefer the personal approach that they receive from brokers.

We've had many conversations with our local brokers, and they are losing clients for as little as \$100 a year in savings. They have had clients return because at the expiry date of their policies, their rates have returned or surpassed what they would have paid had they remained with their broker. Call this what you want, but I call it "bait and switch," and it's happening every day. It's unfair, and it's wrong. Controls need to be put in place to prevent this practice.

One of our local brokers has provided me with a real-life example, and this was a client that had come into his office just this week. The client had been with them since 1999. They insure their auto and their home with the same insurer to maximize the discounts. The broker has remarketed his policies to three different insurance companies due to price, and every year the client has seen an increase. They are a family with three newer vehicles, three drivers. They live in Peel Village, a very

desirable community in Brampton. They have had no accidents, with 6-star and above driving records. In 2009, they were paying \$4,765; in 2010, \$5,280; 2011, \$6,104; and in 2012, their rates have escalated to \$7,202.

We don't know what rationale the insurance companies are using to justify targeting communities like Brampton, but we do know that if there are problems in the industry, then they need to get to the root of the problem through operational and administrative efficiencies and corrective measures. But they should not be taking the shortest, most direct route to the bank accounts of the good people who live in Brampton and call Brampton home.

From conversations that we have had, there seems to be a generally accepted view that 85% of insured individuals are not the problem, yet this is the same 85% who seem to be shouldering the financial burden of solving whatever problems the industry is experiencing.

If Brampton residents are hiring paralegals to extract from insurance companies what they believe the policyholder is entitled to, then the industry needs to address this within their operating budgets and stop sending the invoices to recover their costs from Brampton residents. If some rehabilitation centres are a problem, then deal with the centres.

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In other business sectors, if they want to remain in business and keep a good, loyal client base, they either do not or cannot pass along these costs to their customers. They take reduced profit margins and modify their business practices until they get the matter under control. Insurance companies should be legislated to do the same thing.

Insurance companies have a captive audience. In 2011, they had record profits. In Ontario, they passed along the highest premiums, and have provided the second-worst protection in the country to Ontario residents. Residents of Brampton and Ontario deserve better. We need our provincial government to require some serious transparency and accountability from this industry. To single out Brampton in the GTA by imposing skyrocketing auto insurance rates is fundamentally wrong. It is hurting our residents and it is hurting our local economy.

I want to thank each of you for your time this afternoon.

The Chair (Mr. David Oraziatti): Thank you very much for your presentation. The Conservative caucus is up first. Questions? Mr. Yurek, go ahead.

Mr. Jeff Yurek: Thank you, Speaker—or Chair. You're not Speaker yet.

The Chair (Mr. David Oraziatti): No.

Mr. Jeff Yurek: Thanks for coming and talking about insurance. I know Brampton has been hard hit by the insurance rates that people are paying there.

Have you looked into or talked about fraud at all? Brampton seems to be an area that has higher claim costs than the rest of Ontario, mainly the GTA. The fact that they have, and I'm just going off memory here, 45% of

accidents, yet they have 80% of claims of mediation and such—I know the government has a task force on it. Can you give me your thoughts? Have you looked at the fraud issue as to why there may be high claim costs, therefore causing Brampton to have the higher premiums?

Ms. Elaine Moore: I think our position is simply that if there is a problem, then the industry needs to solve the problem, not on the financial backs of people who live in Brampton. If there are some problems with, as I mentioned in the presentation—which I moved through pretty quickly, I understand. But if people in Brampton are hiring paralegals to help navigate and extract from insurance companies the highest rate of return, then deal with the problem. In speaking with the insurance brokers—and as I mentioned, we have five of them in our area—85% of Brampton's drivers are not the problem. Then deal with the 15%.

We don't know the answer to the questions. I wish we did. Like most politicians, we're a mile wide and an inch deep on a lot of subjects. But what we do know is what we hear from our residents and our businesses, that this is hurting them and hurting them a lot.

The Chair (Mr. David Oraziatti): Thank you. We need to move on.

Question? NDP caucus. Mr. Singh, go ahead.

Mr. Jagmeet Singh: Thank you so much for your presentation and thank you for being here.

I just wanted to ask you if you could comment on—your stories are very, very telling in terms of what has happened on a personal level and some anecdotal. In general, in terms of the constituents in Brampton, how widespread is this issue as far as you know, and how dissatisfied or upset are people on this issue of auto insurance rates being so high? How aware are they that they're higher in Brampton than in other areas?

Mr. John Sanderson: It's actually one of the first things that they hear: If you live in Brampton, you're going to pay more for insurance. Obviously, it's really widespread.

There are all kinds of personal stories regarding this. I was born and raised in Brampton. I just can't believe my insurance went up over \$500 last year, and that's with zero claims, zero infractions whatsoever.

Mr. Jagmeet Singh: Would people in Brampton support a bill that would get rid of this discrimination that happens between different territories or different areas within the GTA and kind of equalizes it so that if you're a good driver living in any area, you're treated fairly, and if you're a bad driver, and you may live in an area that was considered good at one point, you're not going to get a random savings because of that? If you're a good driver, it doesn't matter where you live; you should get a good rate. And if you're a bad driver and living in whatever area, you might get a higher rate.

Mr. John Sanderson: Mr. Singh, I think you'd be a hero if you're able to do that. Yes.

The Chair (Mr. David Oraziatti): Okay. Thank you. Questions, Liberal caucus? Ms. MacCharles, go ahead.

Ms. Tracy MacCharles: Thank you for both being here today and for highlighting the concerns that you've raised on behalf of your community. I just want to learn, if you've had a chance to review Bill 45, if you have any comments on that; if you are aware that, as I understand it, the bill would lower premiums in your area but push them up quite high in other areas and would also lower premiums for drunk drivers and affluent drivers. I just wondered if you've had a chance to look at that.

Ms. Elaine Moore: I have not had a chance to read the bill, sorry.

Ms. Tracy MacCharles: Okay, thank you very much.

The Chair (Mr. David Oraziatti): Thank you very much. That's time for your presentation. We appreciate you coming in today.

INSURANCE BROKERS ASSOCIATION OF ONTARIO

The Chair (Mr. David Oraziatti): Next presentation: Insurance Brokers Association of Ontario. Good afternoon. Welcome to the Standing Committee on General Government. As you're aware, you have 10 minutes for your presentation and five for questions among members who are here. Any time you don't use will be divided among members. State your name, and you can start when you're ready.

Mr. Randy Carroll: Randy Carroll, with the Insurance Brokers Association of Ontario.

Mr. Bryan Yetman: Good afternoon. My name is Bryan Yetman. I'm a past president of the Insurance Brokers Association of Ontario. On behalf of the IBAO, I want to thank the Chair, the members, the staff and the committee for inviting us and giving us an opportunity to present here today to provide our input and comments into your auto insurance research.

The Insurance Brokers Association of Ontario represents over 12,000 insurance brokers who assist over five million consumers across Ontario with their insurance needs. Our priority is to protect the interests of consumers, from the purchase of a policy right through to when they need an independent advocate at the time of a claim.

Those not too familiar with the insurance industry sometimes mix us up with the insurers themselves and their association, the Insurance Bureau of Canada, or the IBC. While we often work closely with insurers and the IBC, we'd like to be clear, to let you know that we are not here to represent the insurers themselves, but the brokers who represent the consumers.

We're licensed and educated experts and intermediaries whose prime concern is that of our consumers, the insurance customers of Ontario. Insurance is a complex financial product, and we feel—and also the law requires that consumers get and need expert advice tailored to their own individual circumstances for proper financial planning and risk mitigation.

As an association, IBAO often differs on certain policy matters with insurers, and as brokers' prime

responsibility is to advocate and serve their customer base, it often gives us a different perspective from the companies themselves.

Today we want to address and speak to three specific issues. Number one, we want to talk to the issue of insurance broker independence, which is referenced in the original motion establishing this committee and these hearings. We also want to talk about IBAO's perspective on fraud and abuse in the automobile insurance product, also referenced in the motion. Finally, we want to talk about insurer profitability and market stability.

On the issue of broker independence, we take a look at the motion establishing this committee's study, and it makes reference to the role of brokers and their independence. This is a matter that is fundamental to the IBAO and to the value of the broker channel. One of the key advantages of the broker channel versus the direct writers or agents who represent only one company or market is that brokers are independent and shop the market on behalf of their customers to get the best combination of coverages and price for that consumer. This means that a broker compares coverages from more than one insurance company provider. Typically it's four or five, but it can be as many as a dozen different markets.

Any development that would threaten the perception of independence of the broker channel is of serious concern to the IBAO. Historically, the phenomenon of financial linkages between insurance companies and brokerages has always been present. Over the last decade, however, financial linkages between insurance companies and brokerages have begun to increase. These linkages tend to take the form of ownership stakes in some brokerages and/or loans. Of course, this raised flags about conflicts of interest and steering of business to insurers who had a financial interest in a brokerage.

IBAO took this development very seriously and notably, in 2005, our regulator, the Registered Insurance Brokers of Ontario, or RIBO, took two important actions. First, it required that all brokers disclose any financial relationships to their customers, including their commission rates. Second, it conducted a detailed study on the matter to determine the extent of financial or business relationships with an insurance company and the existence of concentration or steering issues among those brokers. We have a copy of that report for the committee. It's a detailed report, and we certainly don't have the time to go into all of the details today. However, the regulator's report did conclude that, "There does not appear to be any unexpected concentration issues or any 'steering' issues among brokerages that have a business relationship with a particular insurer in Ontario."

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That was during the policy review titled Managing Conflicts of Interest, and since that time, RIBO has monitored and enforced compliance with the disclosure requirements that exist. IBAO has been in contact with RIBO, and they are willing to update the previous survey to re-examine financial linkages between insurers and brokerages. IBAO believes it's an appropriate time to re-

examine the issue, as a significant time has passed since this first study was actually looked at.

With respect to the issue of auto insurance fraud and abuse, we want to turn to the specific issues again related to fraud and abuse in the auto insurance product. IBAO believes that the single most important thing that can be done to lower claims costs, and, thus, to lower insurance premiums, is to tackle fraud and abuse in Ontario's auto insurance system, particularly in the accident benefits area.

You heard on Monday from the Auto Insurance Anti-Fraud Task Force's chair. Its interim report lays out the issues quite well, and therefore, I will not repeat the content of that here today. IBAO is a participant in the consumer engagement and education task force working group, and we support the work of the task force and its direction.

The task force recommendations are scheduled to come out later this year, and we want to urge this government to implement those recommendations as quickly as possible. Page 57 of the 2012 budget foreshadowed some of the task force's final report recommendations, including regulation of health clinics, other gaps in regulation, establishment of a dedicated fraud unit, a consumer education and engagement strategy, and a single Web portal for auto insurance claimants.

In addition, IBAO will support constructive recommendations to combat fraud and abuse from all parties in this Legislature. We can't tolerate the abuse of the auto insurance product any further, as it's costing the customers we serve too much money, as Ontarians pay the highest auto premiums in Canada.

We want to talk about profitability and market stability. As mentioned, IBAO believes that tackling fraud and abuse in auto insurance is probably the most important thing that we can do to lower premiums at this time. However, we would like to caution against further tampering with the system in the wake of the 2010 auto reforms. Those reforms are only beginning to make themselves felt, and we believe that they are working, but this committee should not be under the illusion that the auto insurance industry in this province is excessively profitable.

In this respect, we want to caution this committee and other decision-makers against recommending simplistic or aggressive measures on rates. Let me be clear: We are not here to defend the insurers, but we do believe that any aggressive tampering with the system will threaten market stability, which is just starting to get a foothold post-reform.

Nevertheless, we do believe that there are measures that can be taken to deal with unfair pricing practices in the property and casualty insurance market. The measure we are referring to is banning the use of credit scoring in personal property insurance. In 2005, the Ontario government banned the use of credit scoring in the rating of automobile insurance. However, shortly after, many carriers began to circumvent the ban by refusing to offer quotes to those that refused access to their credit infor-

mation. By refusing to offer quotes, carriers were naturally not writing business for anyone who refused access to credit information.

In January 2009, via a bulletin from the superintendent, carriers were asked to stop this practice. After refusing to abide by this request, the use of credit was later defined as an unfair and deceptive act or practice under the UDAP regulation as part of the 2010 auto reform package—a measure which, of course, we wholeheartedly supported.

Ironically, however, almost immediately after the credit ban was introduced in automobile insurance, insurers began to use credit far more aggressively to price people's property insurance, once again subverting the ban on auto.

Last year, the Canadian Council of Insurance Regulators, or the CCIR, put out an issue paper entitled Use of Credit Scores by Insurers. The paper identified seven risks or harms to consumers and asked stakeholders whether all potential risks had been identified. The IBAO's submission, which we included in our package today, did identify an eighth risk: the backdoor subversion of current credit prohibitions.

You see, many consumers buy their home insurance with their auto insurance, as we heard in the presentation prior to ours. They want to get the discounts that are available by purchasing both the home and automobile coverage from the same provider. By using credit on home policies, some insurers are able to significantly increase premiums, sometimes as much as 100%. By directly impacting the affordability of the home insurance policy, insurers are able to then again successfully force the policyholder to go elsewhere. This naturally has a negative impact, then, when you dislocate those products, on the auto premium.

IBAO is simply saying this: Implement relatively minor, smart regulation now by banning credit scoring as is done under the unfair or deceptive acts or practices, UDAP, regulation in auto insurance in order to avoid more onerous, cumbersome regulation later.

Banning the use of credit scoring to price home and other property insurance is IBAO's number one public policy priority. We've done a lot of work and research into this issue and we've been advocating for a ban on this practice for nearly two years. Unfortunately, insurers and the Ontario government have done little to deal with this issue during this time. We do not have the time to go into all of the evils of credit scoring, but as mentioned, we have brought some exhibits that delve into greater detail to be left behind with you after today.

The Chair (Mr. David Oraziotti): Sorry, that's 10 minutes. If you want to just take a few seconds there and wrap it up, go ahead.

Mr. Bryan Yetman: Long story then, I guess, is you want to take it through—you know, essentially this is causing consumers to go elsewhere, and the problem is that as we look down the road, more insurance companies are using credit and there will no longer be an elsewhere. Eventually, credit will influence the home

pricing across the entire province. So that's why we're encouraging simple regulation today to avoid something that's more onerous later on, because clearly that's what is going to happen.

The Chair (Mr. David Oraziotti): Okay. Thanks for your presentation.

Mr. Bryan Yetman: Thank you.

The Chair (Mr. David Oraziotti): The NDP caucus is up first. Mr. Singh, go ahead.

Mr. Jagmeet Singh: Thank you very much. First and foremost, I'd like to acknowledge the work that you've been doing on the credit scoring. You've done a lot of work on that. You've advocated for it. I've actually met with you before on this issue, so I'd like to thank you for your work. It's very important and it's affecting a lot of people.

I want you to talk about, if you can, or comment on the fact that the IBC has made this claim as well, that claim costs is the number one driver for premiums and, of that, fraud may be a component. But it's claim costs in total. Comment on that, and comment on the fact that if claim costs are going to show to have decreased significantly, should that mean that there should be a significant reduction in premiums as well?

Mr. Bryan Yetman: Yes, and obviously this is specific to auto. I'll try to address the question. First and foremost, I want to restate the fact that we represent consumers and brokers. We are the individuals who go out and try to seek alternatives. Certainly we're seeing increased cost pressures. Naturally, we would acknowledge the fact that claim costs do have a direct correlation in the long term. Today's claim costs affect tomorrow's premiums, most certainly. But when you take a look at—again, back in my statements, I made a remark around the idea of taking aggressive actions. You're taking a look at—we've had some good years as a result of reforms, and again, we would acknowledge and believe that they are taking shape. But you'd also take a look at the mediations that are currently flooded and backlogged at FSCO. Those mediations, in a lot of cases, reflect old regulation and legislation.

In addition to that, I bought a snow blower three years ago that has not left my garage, so we've had some good weather behind us and some seasons where we've actually seen significant cost benefits coming through as a result of that.

We're certainly not discouraging any look or review of auto insurance, but our view is that right now, given the information that we have, fraud is the area which requires the most attention.

The auto reforms did make reference to a five-year review that should be taking place, and we also believe that taking a look at the product through discussions like this is something we encourage to continue.

Mr. Jagmeet Singh: I'm just going to sneak in one quick question.

The Chair (Mr. David Oraziotti): It needs to be really quick.

Mr. Jagmeet Singh: On credit scoring, is that something that was initially limited to home insurance, but because of the bundling and other practices, would you say that now it's pretty much being used in a lot of cases in the auto insurance as well?

Mr. Randy Carroll: Yes, it's totally being used as a deterrent. You've got a risk. Hamilton is a good example. We put an example in your package: a difference in premium of \$1,385, just based on the individual who lives there. That's driving them to take their auto insurance elsewhere as well, or lose a discount.

The Chair (Mr. David Oraziatti): Okay. I'm going to need to stop you there because we need to move on. Liberal caucus: Mr. Coteau, go ahead.

Mr. Michael Coteau: Thank you, Mr. Chair. Thank you for your presentation today. I appreciate your expertise and your knowledge on the subject matter. Bill 45 has been discussed many times at this committee and outside this committee. I was wondering if you had any views on Bill 45. Are you familiar with it?

Mr. Bryan Yetman: Yes, we're familiar with Bill 45. We've had an opportunity to take a look at that. Again, we take a look at the perspective of consumers. We're not here to advocate on behalf of insurers.

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One thing that we do use, as brokers, as a gauge is to see the consistency in the messaging coming from insurers and the information that they provide us. I would suggest that when we've had an opportunity to look at the information that has been provided and the consistent messages that this would have a negative impact on premiums outside of the GTA and whatnot—the evidence that we've looked at is convincing to us, and we believe that that would be the impact.

Mr. Michael Coteau: We've heard statements that it could increase premiums in northern Ontario by as much as 30%. Would you support that claim?

Mr. Randy Carroll: With the information we've provided, yes. And I don't think it gets to the root of the problem. We need to look at the policy, the coverage, the fraud issue.

The Chair (Mr. David Oraziatti): Conservative caucus: Mr. Yurek, go ahead.

Mr. Jeff Yurek: Thank you, guys, for coming and speaking to us today. I agree with you on tackling claims costs. Claims costs through fraud is a good way to start to help premiums not only in Brampton but across the whole province.

You didn't get time to finish up on your credit scoring, so can you continue to expand upon your credit scoring that you were cut off with and how it's—

Mr. Bryan Yetman: I think the statements were clear: It's a practice that, ironically, started to become more aggressive after prior subversions in auto before—the 2010 reform certainly did a great deal to completely ban it in the use of auto, and then almost immediately thereafter we started to see it being aggressively used in home insurance. We know that it was being used to make auto insurance less available to a certain sector of the

population. I can't be convinced, and we won't be convinced that in two short years they're now using it in home insurance for the good of consumers. We just think that it's a product that's being used to make coverage less available and certainly more expensive.

Mr. Randy Carroll: I think, very much in the short term, that person that I spoke of with the \$1,385 excess premium—we're not going to have a place for that person to go other than pay the \$1,385. That will happen this year.

The Chair (Mr. David Oraziatti): Thank you very much for coming in. That's time for your presentation.

ONTARIO TRIAL LAWYERS ASSOCIATION

The Chair (Mr. David Oraziatti): The next presentation is the Ontario Trial Lawyers Association. Good afternoon, folks. Welcome to the Standing Committee on General Government. You've got 10 minutes, as you're aware. Please state your name, and you can start when you're ready.

Mr. John Karapita: Good afternoon. My name is John Karapita. I'm the director of public affairs with the Ontario Trial Lawyers Association. I'm pleased to be here with Andrew Murray from the London law firm of Lerner. Mr. Murray is OTLA's president-elect.

Our association represents more than 1,300 personal injury lawyers, law clerks and students from across Ontario, and our membership also includes lawyers from across the country. Members of our association represent injured people who seek redress for harm caused by others in the areas of motor vehicle accidents, medical negligence and other torts. We welcome the opportunity to be here in this very brief time today to offer our perspective to the committee on the issue of the adequacy of the current definition of "catastrophic impairment" and issues related to fraud, the mediations backlog and the minor injury guideline.

Mr. Andrew Murray: Thank you for giving us this opportunity. I'm mindful of the fact that you have a very tight roster, and it was a privilege to have us be included on that roster.

Let me begin by sharing a few more personal details about myself. I'm going to be the president of the Ontario Trial Lawyers Association beginning in one week. I've spent 18 years almost exclusively practising law on behalf of people who have been injured in auto accidents. More importantly, 18 years ago on May 13, Friday the 13th, on my way home from work, I was in a serious car accident myself. I had a head injury. It was before the days that we heard about hockey players getting knocked out, but that's sort of how I equate it now to people. I was sort of scrambled for six months or so. If I had been a hockey player, I wouldn't have been allowed out on the ice. That really shifted my focus in terms of helping auto accident victims, and it continues to inform everything that I do now.

Lawyers who do my kind of work are three parts lawyer, but you're one part social worker, one part

psychologist, one part financial adviser, and often a spiritual adviser as well. When I see a client, I tell them that if things go well, they'll recover themselves out of a need for a lawyer, but when they don't, I'm there to hold their hand when they lose their house, when their spouse leaves them, when their employer terminates them because they haven't been able to go back to work. I think it's important that you think about the population of accident victims that includes all of those individuals.

As this committee knows, we have a system of mandatory insurance. You have to have insurance. The policy is written and approved, and it's not something that you can bargain when you go to buy your coverage, so it's important that we work as hard as we can to get it right.

Our association, for many years, has suggested this approach when looking at the auto insurance system. We call it the three Ps: profits, which is a reasonable return on equity for the insurers, and so, yes, we are heard to say that the insurance companies need to make appropriate amounts of money—that has to be part of the system; premiums, which of course is fair prices for consumers; and protection, which is fair and appropriate coverage.

If you think of the three Ps as a stool, if you cut off one of those legs—any one of those legs—it's unbalanced and it doesn't work. In anything that you recommend or anything that gets done as a result of the good work of this committee, please be mindful of the three Ps. I would, indeed, add a fourth P, changing it from a stool perhaps into a table, which is predictability.

I can tell you, when a change is made, the law of unintended consequences always occurs and you have uncertainty injected. You've tried to help something here and now nobody knows exactly what the rules are and it gets sent back to the courts for years and years and years trying to sort it out.

We've just gone through 15 years or more of uncertainty with respect to certain issues pertaining to catastrophic impairment. Not long ago, the Court of Appeal in Ontario, our highest court in this province, provided great clarity to a lot of those issues. If we were to now make some changes that have been suggested, it would essentially throw out 15 years of hard work in the trenches, coming to terms with what are the rules of engagement. I would really try to dissuade anyone from doing that because it would not help.

In February of this year, on behalf of my organization, I wrote to the Honourable Dwight Duncan, Minister of Finance, before knowing that we would ever have an event like this, to outline recommendations—it was gratuitous, of course—for the government with respect to the direction and priorities in auto insurance. Essentially, this is what we said: We should suspend the introduction of restrictions on the definition of catastrophic impairment. There had been a lot of talk of that back in the fall, following the release of an expert panel report. We said, instead, that we must focus on eliminating the backlog for mandatory mediations at the Financial Services Commission of Ontario, because it is one of the most signifi-

cant impediments, on both sides, to having a resolution of disputes in the system. It was brought in with good intentions: 60 days to get a mediation, get people talking, maybe you can resolve your differences. Now it has expanded to a monster that doesn't help consumers, and it certainly doesn't help insurance companies because they can't close their files. Any defence lawyer I talk to or insurance company representative tells me they want to have their files closed.

We also said that there needs to be an analysis of the impact of the changes that were made in September 2010 to the accident benefit schedule. Because until we know how those changes have filtered their way down in the system, we don't really know whether there is a need to make further changes. We don't know whether or not premiums are going to continue to decrease because the last round of changes have yet to be felt in the system. We don't know how the minor-injury guideline is ultimately going to be characterized. Is it true that so many people are kept out of the system, or is it going to be expanded by arbitrators and judges?

We were emboldened in that perception by comments made by such individuals as the Auditor General in his report, who specifically said there is not enough data yet in order to make that assessment.

Why would anyone want to make changes when we don't yet have the data to know if the changes are even warranted, particularly going back to my four Ps analogy of predictability, profits, premiums and protection? If we don't know what we're doing, why would we do it?

We also joined with others in saying that, from what we hear and what we understand, there needs to be better anti-fraud measures taken in the system. I must tell you, fraud is not an issue that my organization is familiar with. I don't have experience with fraudulent claims in my practice. If there's something that's even remotely dubious, I no longer act for that individual. I think, speaking on behalf of the members of my organization, the same would follow equally for them.

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One of my first acts as an incoming president was to have a meeting, joined by John Karapita and a couple of others from my organization, with the Insurance Bureau of Canada, to say, "Tell us what you know, because we don't really understand this problem the way that it seems to be portrayed." I felt it was a productive meeting. Next week, the IBC is coming to a meeting of my organization to inform a broader group of our board members, the invitation being, "Let's work together collaboratively, to the extent we can on this issue, to see if we might have joint recommendations which surely would be of help to the people who have to make the changes."

We also said, "Let's talk about joint recommendations"—and the dialogue is only now beginning—"about the mediation backlog, because it is a terrible impediment to people getting their cases resolved." Let me illustrate that, if I can, by reference to someone who I'll simply call Louanne. Louanne was driving along in June 2007

and she hit a deer. It could happen to any of us, particularly those of us who live out in the rural areas. It wasn't her fault; it was just something that happened. She has never worked a day since that accident happened. She has some neurological problems. She was 47 years old, and I had her CPP records. She had worked every year and contributed to CPP every year from when she was 18 until the time of that accident. She got into a dispute with her insurer, and I want to say, it's a legitimate dispute. It is a dispute. It needs to be resolved.

She filed her application for mediation in January 2011 through me. It was comprehensive and detailed. We never got a response from the insurance company—that happens more often than you'd like—and the mediation was conducted on May 16, 2012, 15 months later. The day before the mediation, I get a call from a panicked person at the insurance company, saying, "I just got this file dumped on my lap. I don't really know what it's about. Can we postpone the mediation?" I said, "We can't. We can't do that." She said, "Give me a proposal, maybe, to settle the whole file." So I dropped what I was otherwise doing, put something together, got it to her. I didn't really have time to look at it, but the whole thing failed.

That mediation could have failed—

The Chair (Mr. David Orazietti): Sorry, I just need you to wrap up. That's time for your presentation. If you want to just—

Mr. Andrew Murray: Oh, my goodness. We will send you some written material, I think, to support some of the things that I wish that I had time to say. But you've got to prioritize what you're going to do, and it has to be looking at the mediation backlog, developing strategies to deal with fraud and certainly not tackling catastrophic impairment issues. We need to have the data come forward with respect to the last round of changes so that all of us can make informed decisions.

The Chair (Mr. David Orazietti): You'll have an opportunity to elaborate in the questions here.

Liberal caucus: Ms. MacCharles, go ahead.

Ms. Tracy MacCharles: First of all, thank you both for being here. Congratulations, Mr. Murray, on your new role as president-elect.

Mr. Andrew Murray: It's exciting.

Ms. Tracy MacCharles: Yes, very exciting. You talked at length about the disputes and the backlog being a significant issue. Have you submitted anything in writing to the government with concrete recommendations or any discussions on how to solve this problem?

Mr. Andrew Murray: We submitted our letter to Minister Duncan outlining some priorities. We have not submitted a list of recommendations, but what we have done is, we've asked for some more data ourselves on various fronts so that we can have informed recommendations rather than just plucking things out of the air. We're only one piece of the equation, and so it's very hard for us to know, sometimes, where the problems lie.

I can tell you that I wrote on behalf of our organization to the law society when it was doing a review of

paralegals to urge some greater oversight with respect to paralegals because the sense that I was getting, and quite frankly from talking to my defence colleagues, was that there may be some issues with respect to paralegals in the system of accident benefits. Of course, that's really outside the scope and ambit of our own organization. We would like to be part of the solution.

Ms. Tracy MacCharles: Okay. And any recommendations submitted to date on the other issue you raised, catastrophic impairment?

Mr. Andrew Murray: Yes. We actually submitted quite a lengthy letter which is available—or it was at one time—on the FSCO website, in its call for submissions with respect to the expert panel review. We submitted quite detailed recommendations, and I would be very pleased to include those as part of the package that we submit here.

The expert report led to the superintendent, apparently, making some recommendations directly to Minister Duncan. That's referenced in the budget announcement from back in March. It has been at least that long that the minister has had that report from Phil Howell. It has never been released publicly, and we don't know why. We've called for its release, and I would hope that this committee calls for its release and, indeed, may need to suspend its final recommendations pending the release of that report.

The Chair (Mr. David Orazietti): Okay. Thanks. We need to move on to the Conservative caucus. Mr. Yurek, go ahead.

Mr. Jeff Yurek: Thank you, guys, for coming out and speaking. I made reference for Mr. Duncan to release that report about 20 times on Monday, and I call upon him again. I don't know how he's going to make changes to catastrophic injury without actually getting the report out so we can have a good discussion on it. He already seems to have made up his mind. I'll call upon him again through this committee that he release this report, not only to this committee but to every single stakeholder that's involved in insurance so that we can have an open discussion.

My question is: With the mediation backlog and the changes in 2010, I understand, and you may have touched upon it, that the 2010 changes haven't really gone through mediation yet.

Mr. Andrew Murray: Correct.

Mr. Jeff Yurek: So your pillar of predictability has got to be a hamper on the industry as a whole—how can they change their rates when they don't know how the mediation/arbitration is going to work out? Do you have a solution to fix mediation?

Mr. Andrew Murray: You know what? A solution would be to put a moratorium on mediations, quite frankly. I prepare detailed material. I have dialogue with the insurance adjusters. I foster a good relationship with the insurance adjuster, as do members of my organization. At least for those people who are represented, perhaps when we aren't able otherwise to deal with their

problems, maybe we should do away with the mediation altogether.

Maybe there should be a system whereby technology advancements, where a computer—you can say, you know, “Are we say this close? Yes, we should maybe go ahead and have somebody talk to us.” If we’re miles apart and it’s a legal issue that could never be resolved, that there could never be consensus, we know that sometimes and maybe we can fail it earlier on. Some steps have been made to have consent-to-fail mediations, but I think more can be done in that direction. I’m not sure that just hiring more mediators is the answer. In fact, I think it probably isn’t the answer.

Mr. Jeff Yurek: Thank you.

The Chair (Mr. David Oraziotti): Thank you. NDP caucus: Mr. Marchese, go ahead.

Mr. Rosario Marchese: Just a quick question: FSCO appeared before our committee and they made two suggestions. I didn’t get the wording written down as correctly as I would have liked, but I think they said that they were putting out a request for proposal to some outside group so as to assist in getting this list dealt with—it’s a 33,000 backlog, waiting for a year—

Mr. Andrew Murray: Can you imagine?

Mr. Rosario Marchese: It’s huge. The other one is that presumably, though, the victims can sit down with the insurance company and work out a date, and then they can hire a mediator right away. Now, I don’t see that as two equal partners who are going to just be able to agree on that one, so I’m not sure how workable that is. Have you heard about these two suggestions or do you have a comment on either of the two?

Mr. Andrew Murray: I’m certainly familiar with the request for proposal, and that’s when I made reference to outside mediators being brought in. I think there’s a role for that, and probably there should be targeted mediations. I’ve taken a step—we write, we call and we say, “Look, this person is in a desperate situation. You’ve got to bump this up.” Sometimes, by begging, we get there. If there were more people on the roster, probably there could be more spots like that opened up.

I don’t think that it’s a system that needs to have private mediators hired in and brought in. Why don’t they just talk or—

Mr. Rosario Marchese: What about the other suggestion, where the victim and the insurance companies get together, agree on a date and then—is that workable?

Mr. Andrew Murray: You would need very specific changes, because here’s what’s happening now. It used to be that when it was 60 days, you’d have your mediation and you would deal with it. Once it got to be 10 months, 11 months, 12 months, you have an overworked adjuster, they have a mound of paper this high on their desk, and they don’t know what to do: “I’m going to fail it. I’m going to say I’m not paying this,” and it goes off somewhere else for a year now and it’s not on their desk. It never comes back because there’s an internal dispute person, a mediation specialist, who’s now dealing with it.

The Chair (Mr. David Oraziotti): Okay.

Mr. Jagmeet Singh: I’m just going to sneak in a question—

The Chair (Mr. David Oraziotti): No, that’s time. I’m sorry. We’re going to be too far behind.

Interjection.

The Chair (Mr. David Oraziotti): That’s time for your presentation. I appreciate you coming in today.

Mr. Andrew Murray: Thank you very much.

ONTARIO SAFETY LEAGUE

The Chair (Mr. David Oraziotti): The next presentation is the Ontario Safety League. Good afternoon, and welcome to the Standing Committee on General Government. As you’re aware, you’ve got 10 minutes for your presentation. You can start by stating your name, and you can proceed when you’re ready. We’ve got five minutes for questions following.

Mr. Brian Patterson: Thanks very much, Mr. Chair. It’s a pleasure to have an opportunity to appear before this committee on an issue that I think is of significant importance to all Ontarians.

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As many of you know, the Ontario Safety League has been the chief public safety advocate in the province of Ontario for almost 100 years. As of September 23, 2013, we will move into our second century of service to the citizens of the province of Ontario.

The public perception with respect to automobile insurance and its impact on homes and individual participants in the system leads me to one very significant conclusion, and that is that the general education level of the public with respect to what they’re buying when they’re receiving their insurance and what they’re going to receive when they have an issue is significantly—there’s a significant education deficit among the public on what they’re purchasing with respect to insurance. Often, insurance comes to mind twice in the life of those who do not come into interaction—that is, early on, where the driving school incentives for education take place. In that area, we haven’t seen too much movement, almost from the point that they’ve been brought in.

What some members of the committee may not know is, prior to my safety position—I am a certified fraud examiner in the province of Ontario and have been so for 17 years. I can assure this committee that the one area that I think this committee can focus some real attention on, going forward, is the issue of fraud and the perception of fraud within insurance.

It’s as simple, in my mind, as people putting up a sign that says, “We’ll pay your deductible.” They’re not paying the deductible. The windshield is going to be upped by the amount of the deductible, and we’re all paying.

I know from those who are involved in the investigation of insurance fraud that between 40 and 60 major files are opened every month in this province involving people who have actively targeted the insurance industry. In my mind, those are the thieves who go through the

back door of your house when you're not at home and steal directly from you, and all of us are paying.

There is currently limited police support to insurance fraud, a multi-million-dollar process. You can accept the figures from the Insurance Bureau of Canada or from the police in general, but I can assure you, as a fraud specialist, they are significant numbers; significant targeting. Right now, we've got cases—I think the first case through the courts was a six-year battle to deal with companies that were fabricating crashes, fabricating injuries and billing not only OHIP but others. The committee, I think, should actively consider the request that there be dedicated police support in this province to deal with a problem that is impacting every citizen in Ontario.

The "catastrophic cases" change: We've looked at that with regard to other partners. Our concern is that right now—I know it's a limited time, but the issue we have is that the most vulnerable citizens in this province are often those post-traumatic crash. Often, through no fault of the individual, they've been placed in those situations. The two areas that I think you should spend some focus on are the GCS, the Glasgow coma scale—you'll hear that better articulated here by medical professionals, but essentially, that is the situation where someone arrives at hospital or into care and they're in a coma, and how functional and reactive they are during that time period. Right now, those numbers are often assigned in a standard procedure across hospitals within the province. Early support of people who fall into that range above nine is significant. Essentially, what we like to talk about with heart attacks is that golden period where, if you can get those resources in quickly, with significant rehabilitative care, you can have a very positive outcome.

The other area is, of course, traumatic brain injury. A lot has been done with regard to engineering in vehicles, but we still have traumatic brain injury that results directly from an automobile crash involving two automobiles. Of course, you don't have to be a rocket scientist to figure out that the traumatic brain injury that occurs with cyclists, pedestrians and vehicles is significant. If you look to the changes that are currently proposed, the resources in some areas of the province are non-existent. It will limit the likelihood of a victim to be brought into the catastrophic category, and in some areas of the province, they're non-existent. To get someone into a recognized neurotrauma rehabilitation centre—there are only a limited number. They tend to be in southern Ontario and they are not available for access. As we see this change, it will limit the availability of people who have traumatic brain injury to get immediate resources. We think this is an excellent opportunity with respect to the general discussion on auto insurance, which tends to be a fairly narrow topic between the insurance company, FSCO, and most people are unaware of where the insurance buck stops.

I can tell you, as the head of the Ontario Safety League, we get a significant number of calls from people across the province. If you do not currently have a G1 or G2 driver at the age of 17, wanting to drive a Mustang,

you won't be aware of what that's going to cost, but my first three cars didn't amount to the cost of insurance for a young driver.

We want to be able to see good ideas come to the Legislature that can benefit all Ontarians. The winter driving initiative involving winter tires is significant. There are millions of dollars of benefit there, and I can assure you, as a safety practitioner, it's a non-political safety issue. We can reduce crashes. I have to bring to your attention that we've been able to achieve that. We have the safest roads in North America and the most expensive insurance in Canada. It doesn't make sense.

I'll close by telling you a personal story. I was rear-ended on the 404 in 2008, and got caught up in what I truly believe is the mess that the industry was in at that time. I was directed, through the insurance company, to a rehab facility in Newmarket. By the time I had finished my first visit—I had traditional whiplash—they had already billed the insurance company two thirds of my available benefits. That was one visit. I got an assessment. I got a back rest for my car. I got a back rest for the house. I got some gel for my shoulder, and I got a quick assessment on a massage table. I wasn't aware, until I talked to some lawyers we deal with, that I had used up almost all of it. The \$3,500 would have been long gone. It took a complaint to the insurance company and they immediately moved it, and as you can tell, I'm fit as a fiddle today.

The Chair (Mr. David Orazietti): Okay. Thanks for your presentation. We're moving right to questions. Mr. Smith, go ahead.

Mr. Todd Smith: Thank you, Chair, and thank you, Brian. Good to see you again. A lot of information in 10 minutes; we usually get that from you. We have had a lot of presenters who have come in here in the two days that we've had these hearings into auto insurance, and they've often talked about the fraud and the problem that it's causing in our insurance system right now.

We believe, as the PC Party, that, like you just said, we need a dedicated anti-fraud unit that can help to cut off the flow. But we did have one of the members from FSCO, who was in here on Monday, tell us that that wouldn't work. As a former certified fraud examiner, what would you say to that and what's your opinion on that statement?

Mr. Brian Patterson: Well, without it you're not going to be able to proceed effectively. These are complicated cases. You want to have dedicated resources because, in fact, there are a number of areas, both administrative and criminal, involved in this. But I can tell you, as somebody who has got 37 fraud convictions of fraudsters in this province under my watch and the largest privately prosecuted fraud case, well-dedicated resources, and we have them in this province, could make an immediate impact on this process. The skill set is within the OPP; it's within insurance investigators who are out there today, and the province could have a dramatic impact on millions of dollars worth of fake claims and abuse right now.

Mr. Todd Smith: And we know that these fraudsters have moved here from jurisdictions elsewhere. Why do you think that is, that they've come to Ontario?

1700

Mr. Brian Patterson: The national body that I sit on often cites Medicare fraud in the US, and I think it is a target. It's a bag of money that they're looking for, and they're looking for the person who left the back door open, and they go at it aggressively. A staged crash involving two vehicles can very quickly remove a couple of hundred thousand dollars from what's available for all of us for our—

The Chair (Mr. David Oraziotti): Thanks for that. NDP caucus: Questions? Mr. Singh.

Mr. Jagmeet Singh: We've heard that there are either three Ps or four Ps in the scheme of insurance: profits, premiums, protection, and predictability is a fourth P, if you want to factor that in. Would you be able to speak to the fact that profits seem to be improving but premiums and protection are completely out of sync, in terms of the three pillars?

Mr. Brian Patterson: I'm not able to look at that specifically, but—

Mr. Jagmeet Singh: That's fine.

If I could move on to the safety of Ontario roads, how are you able to assess that? I've heard that claim before, that Ontario's roads are quite safe. What's the empirical data to suggest that?

Mr. Brian Patterson: Ontario roads are gauged against crash statistics across North America, and the per capita crash rate in Ontario is the lowest. I can tell you, it has been a collective effort of many of the NGOs in the province. We do, by all measures, have the safest roads in North America.

Mr. Jagmeet Singh: Given the safest roads, it seems a bit out of sync that we have the highest premiums.

Mr. Brian Patterson: It would be, yes, counter-intuitive.

The Chair (Mr. David Oraziotti): Mr. Coteau?

Mr. Michael Coteau: Your organization has a long record of achievement in this province, and congratulations on your 100 years. I know that you provide safety awareness and public education. Thank you for protecting our citizens.

Recently, the CEO of Mothers Against Drunk Driving came out with a statement in regard to Bill 45. I'm not sure if you're aware of the statement, but it says that this scheme sends the wrong message: "In essence, the bill would force responsible drivers to subsidize the insurance premiums of dangerous drivers." He goes on to say, "In our view, the bill sends all the wrong messages. It punishes responsible drivers, rewards dangerous drivers, and will increase the risk to people on Ontario's roads."

Do you agree with that statement? Are you familiar with Bill 45, and would you agree that it actually would support that statement made by the CEO of MADD?

Mr. Brian Patterson: I'm not sure on what basis he drew those conclusions. Those would not be consistent with the conclusions we've drawn.

Mr. Michael Coteau: What are your conclusions on Bill 45?

Mr. Brian Patterson: I think there's a fair bit more work. Our specialized area is primarily in the area of safety. I think Bill 45 goes in that direction. I don't see the risks that others take to it. But we haven't taken a formal position on Bill 45.

Mr. Michael Coteau: Well, if you do take a formal position, if you could forward it to this committee, that would be great.

Mr. Brian Patterson: Will do.

Mr. Michael Coteau: Thank you very much.

The Chair (Mr. David Oraziotti): We appreciate your time. Thanks for coming in today.

ALLIANCE OF COMMUNITY MEDICAL AND REHABILITATION PROVIDERS

The Chair (Mr. David Oraziotti): The next presentation: Alliance of Community Medical and Rehabilitation Providers. Good afternoon. Welcome to the Standing Committee on General Government. We appreciate you coming in today. As you're aware, you have 10 minutes for your presentation, five for questions from members. Please state your name, and you can proceed when you're ready.

Mr. Nick Gurevich: Thank you very much, Chair and members of the committee, for having us here today. This is Patricia Howell. My name is Nick Gurevich. We are on the board of the Alliance of Community Medical and Rehabilitation Providers. The alliance is a collection of 90 member practices, health care providers in the province of Ontario. Many of them conduct work within the auto insurance sector. The vast majority treat injuries that are not minor in nature; they are serious injuries.

Those member companies represent over 3,500 providers across the province, varying from anything from physicians to nurses to psychologists, neuropsychologists, occupational therapists, speech language pathologists etc. We do have a very good representation.

We had the opportunity to be present here for both afternoons of hearing of this committee. I've been struck by how challenging your task is as you try to wade through the complex and sometimes contradictory information presented by various stakeholder groups. We heard about fraud, claim costs, tort, AB, GCS, ADR, cat, MIG and countless other acronyms. What struck me is that by talking in these acronyms, we are allowing ourselves to get lost in the trees and not seeing the forest. We got lost in the detailed acronyms and stopped paying attention to what is important, and that is the very basic premise of the auto insurance product: to protect yourself and others against property loss or injury.

If this is the premise of auto insurance, why does it feel like we need to apologize to Marianne and Jaisa, the victims you heard from on Monday? The reason is because, during the last reform, we moved away from trying to carefully balance victims' protection and the

price of premiums against the need for insurers to make a profit to only making sure that insurers turn a profit.

The reason I say it is because after the last set of changes, implemented in 2010, benefits have been slashed by over 70%, to a point where Ontario now has the second-worst auto insurance health care coverage in Canada. As if slashing coverage to record lows not seen in almost 20 years is not enough, the last reform also provided for huge barriers to access what little benefits remain. Such barriers include discriminatory practices and concentration of almost absolute power in the hands of insurers, without appropriate checks and balances. It is then of little surprise that the above, coupled with aggressive adjusting practices, has led to scores of dissatisfied victims, 33,000 of which are waiting over a year to have their cases heard. The magnitude of dissatisfaction is difficult to argue with. It is also difficult to argue with the well-documented fact that rehabilitation is only effective in the immediate aftermath of an injury. It is, however, of little comfort to victims like Marianne and Jaisa, who have to wait one to two years to resolve an unsubstantiated denial by an insurer or a misclassification of a serious injury as a minor one.

The justification for these changes was that we need to fight fraud and abuse, which we are in complete agreement with. What we are not in agreement with is the steps taken to address the symptoms rather than the root cause, resulting in an imposition of a collective punishment of all victims. Why was an anti-fraud task force not created over two years ago to go after the offenders?

If we buy the insurers' estimate of \$1.3 billion in annual fraud, we could have saved \$130 per driver per year by just going after the offenders without any slashes in benefits. Instead, 70% of the coverage was slashed, resulting in no reduction in premiums almost two years after the reform. Insurers, on the other hand, are declaring near-record profits while crediting openly the 2010 regulatory changes.

Perhaps it would have been better to introduce piecemeal changes, evaluate interim results and build on that. These are, after all, the current recommendations of the Auditor General. Instead of wholesale changes, perhaps we could have started with creating the minor-injury guideline and waited to evaluate its results before introducing the other 41 changes made during that reform.

Despite the above, FSCO is poised to make additional changes which will result in more cost savings to the insurers but this time on the backs of the catastrophically injured, like Jaisa, leaving her to be looked after by non-existent public health care services and relying on social services and assistance.

Ms. Patricia Howell: What can be done?

First of all, regarding fraud, we agree that every dollar that goes to fraud could be helping innocent accident victims. We are on the right path now that we have an anti-fraud task force in place. The alliance has so far presented three times to this task force, and its consultant has committed to continuing to do everything we can to prevent fraud.

A word of caution: New measures intended to fight fraud must be precise and focused. There cannot be measures introduced that will have the effect of imposing new barriers to victims to access services or prevent health care providers from delivering them.

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The second issue: Let's admit that we made a mistake a couple of years ago when we cut the non-cat benefits so drastically. Let's put those \$100,000-plus assessment costs back in the system. We all know—and I certainly see it every day in my work with pediatric brain injury rehab—that these individuals have legitimate long-term needs, and \$50,000 is not nearly sufficient. It will run out in less than a year. We know that they were an unfortunate casualty in our war on fraud back in 2010. That cap should actually be increased. For those of you who are as old as I am and been in this industry long enough, you realize that that cap of \$100,000 was put in in 1996, and when we look at the inflationary cost of health care over that period, we should be looking at that when we look at the \$100,000.

The third issue: Let's also admit that we made a mistake around when we revamped the IE system a couple of years ago. This is one of the root causes for the escalation in applications for mediation. Of course denial rates for treatment have skyrocketed. For your information, they've gone from 11% of treatment plans denied before the changes were introduced in 2010 to, now, 42% of treatment plans are denied. What else could be expected when you give adjusters with no health care training the ability to deny the recommendations of qualified health professionals?

The IE system itself is not inherently flawed, but changes are needed. We need to put back in place, for example, mandatory IE examiner qualifications. We need to develop a system to manage the inherent conflict of interest and bias in the system. For example, right now, IE assessors are hired by a certain insurance company to do the assessment. To continue to get work, there's some inherent bias there in terms of the program. Why not look at a roster where adjusters are not hand-selecting? Then you would get less pressure for biased reports.

We must also adhere to the principle of equity. Unqualified treatment providers are called "fraudulent" and prosecuted, and so they should be. But the consequences imposed on insurers are not the same. Confidence will be brought to the sector when it's based on professionalism and transparency.

The fourth issue is around cat, which there has been a lot of discussion about this afternoon. I don't believe that the cat definition is totally broken. It is helping many people. For those of you who weren't here on Monday, there were two women presented, one of whom did get the cat designation. Her name was Jaisa, and she was talking about how that has helped her. Marianne, on the other hand, her husband—she's waiting years later and she's still in arbitration and still awaiting a decision, and her story was how that has devastated their entire lives.

However, what I want to say is, for people like Jaisa it's working, and we certainly see that in our work every

day. However, it could be improved. The FSCO panel had some good suggestions. For example, they introduced the notion of interim cat: a way that someone could be qualified cat early on and then later reassessed if that's appropriate. That was a great idea.

However, there were many, many basic premises in the expert report that need to be revisited. For example, the panel was given the wrong mandate. It was told to use paraplegia as the benchmark when it should have been directed to look at what individuals need more than \$50,000. As a result, they produced recommendations for changes and benchmarks in the assessments for who would be deemed cat at a level that's far too high.

The Chair (Mr. David Oraziotti): Sorry. That's about time, so if you want to just wrap up very quickly.

Ms. Patricia Howell: I'm sorry?

The Chair (Mr. David Oraziotti): That's time. That's 10 minutes for your presentation. I would like to move to questions, if you just want a closing remark very quickly.

Ms. Patricia Howell: Sure.

The Chair (Mr. David Oraziotti): Okay. Thank you.

Ms. Patricia Howell: I just wanted to say that the last issue is just around transparency in the issue. We really need to be looking at knowing the numbers that we're dealing with, and it just seems no one knows about that. For example, the AG report even quoted the \$56,000 as an assessment cost average—

Mr. Nick Gurevich: Claim costs.

Ms. Patricia Howell: —and that was—claim costs; sorry. The claim costs, and yet that's not a recent number. So we want to use the right number.

The Chair (Mr. David Oraziotti): Thanks. We're going to move to questions. NDP caucus: Mr. Singh, go ahead.

Mr. Jagmeet Singh: We have limited time, so I'll go right to the chase. The \$56,000 claim cost: That's from 2010 and we don't have the updated results, do we?

Ms. Patricia Howell: No.

Mr. Jagmeet Singh: If we had the updated results, given the fact that there has been a significant decrease in our benefits, our protection, those claim costs would be significantly lower, wouldn't they?

Ms. Patricia Howell: And it should be. They've drastically cut the benefits, plus there are huge denial rates.

Mr. Jagmeet Singh: Would you agree with me that if we look at the three Ps—profits, premiums and protection—profits seem to be increasing for insurance companies, but our protection in terms of our benefits and our premiums in terms of what we're paying are far out of whack or unbalanced, and the profits seem to be increasing?

Mr. Nick Gurevich: Yes. As stated, we see on almost—well, obviously, on a quarterly basis when financial results are released, the last set of reforms is credited as a huge contributor to ensure profitability—which is fine. Insurance companies do need to be profitable. But two years later, we are seeing no relief in

terms of premiums, and certainly the benefits structure has been slashed by upwards of 70%.

Mr. Jagmeet Singh: Bill 45 seeks to get rid of geographic discrimination. One of the components of the risk classification is driver safety. If we included or expanded driver safety to specifically indicate convictions both for highway traffic offences and for Criminal Code offences, the merits of that bill—would you agree—would work towards achieving more fairness in the system?

Mr. Nick Gurevich: Unfortunately, we don't have a position on Bill 45. It's outside of our scope.

The Chair (Mr. David Oraziotti): Ms. MacCharles, go ahead.

Ms. Tracy MacCharles: Thank you both for being here and for the good work that your providers give to the people of Ontario.

I understand you've previously claimed that there's a 30% increase in insurance denials. If I heard correctly, was that the 42% now you spoke of—

Ms. Patricia Howell: It's 42%.

Ms. Tracy MacCharles: So 42%—

Mr. Nick Gurevich: That's almost a 300% increase—

Ms. Tracy MacCharles: —since the 2010 reforms. Can you tell me a bit about your methodology, how you got to that number? Is it available? Do your member organizations self-report on that?

Mr. Nick Gurevich: You all have this report that has been distributed. This is a survey that has been conducted. We actually conducted the survey once, about six months after the rollout of the reforms; reported the results to FSCO. They suggested that we conduct that survey again at the one-year anniversary, which we have done. However, this time around, instead of just using our own membership, we have also worked with two other health care provider associations in the province, the details of which you can find here. Together with them, we've surveyed health care providers across the province to come up with the results that are summarized in this document.

We did, to reinforce the point, initially call FSCO with these numbers and ask them to check the HCAI system, for those of you who know what it is, to tell us what that reports. They said that that's actually information that is kept by IBC, which is the Insurance Bureau of Canada. We asked them for that information; they refused to give it.

Ms. Tracy MacCharles: Thank you.

The Chair (Mr. David Oraziotti): Ms. Scott, go ahead.

Ms. Laurie Scott: Thank you for appearing here today and making some very good points.

I represent a rural riding, and the cap in the access to treatments—a very big problem in our area. We've had a lot of discussion about the mediation backlog that exists. Do you have any suggestions about the mediation backlog, in order to try to reduce them?

Ms. Patricia Howell: From my experience and I think our collective experience, this huge denial rate of 42% has to be a major contribution to this backlog. Then, the

IEs that are being done right now under the new rules—as I said, the adjusters can deny without an independent second medical opinion, and that's a major issue.

Also, there is a limit in the cap on the assessment costs at \$2,000. What we're seeing more and more is independent assessors providing a second opinion who don't have the expertise they should. For example, in my work in pediatric brain injury, we might submit an OT treatment plan, making recommendations. The adjuster denies it, does send for a second opinion, but sends it to an OT who has no pediatric experience and no brain injury experience and might be a new grad. The assessment cost is more affordable for them to get those assessments. So that's another issue.

Mr. Nick Gurevich: To add to that, the previous model was one of a designated assessment centre, what's called DAC. We'll hear from some health care providers, some physicians later—

The Chair (Mr. David Orazietti): I need you to make this very brief.

Mr. Nick Gurevich: Sure—there were qualifications and there were standards under that model. The model was not perfect, but there were some basic qualifications that do not exist today, and they have to be returned.

The Chair (Mr. David Orazietti): That's time for your presentation. We're a bit over. Thank you very much for coming in, answering the questions and providing us with your presentation.

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BARON INSURANCE SERVICES INC.

The Chair (Mr. David Orazietti): Our next presentation: Baron Insurance. Good afternoon. Welcome to the Standing Committee on General Government. As you're aware, you have 10 minutes for your presentation and five minutes for questions. So if you'd state your name for the purposes of our recording Hansard, you can begin your presentation.

Ms. Barb Addie: Thank you very much. I appreciate the opportunity to present. I have put, in our presentation, my credentials: I am an actuary and have been a fellow of both the Canadian Institute of Actuaries and the Casualty Actuarial Society since 1983. I began work in 1979 and I've been actively involved in Ontario auto insurance since. I believe my first speech was on Ontario auto and I believe my last speech will be on Ontario auto.

What I'm going to do today is just review the overall performance and then talk about return on equity and a little bit about auto rating. I may skip some because it's only 10 minutes, but I left some of the information in for you anyway.

As we can see with the summary of results, the return on equity went up slightly between 2010-11, from 7.6% to 8.0%. What this does not tell you is that personal lines insurers have, over the last five years, had returns on equities sub 4%, driven largely by Ontario auto. The banks, on the other hand, enjoyed a 14.4% return on equity last year. So while profits may be rising, they are

not rising dramatically. Eight per cent is not an excessive return on equity.

You had asked that we look at the expectations for underwriting income. Our expectations are that underwriting income will not increase significantly. There are a number of factors that go into this. Commercial insurance rates are essentially unchanged and have been for several years, but there is upward inflationary pressure. Personal property rates have been increasing, mainly due to catastrophes. Slave Lake last year alone was \$726 million. Automobile insurance outside Ontario is generally profitable, but loss ratios are gradually increasing, and that will get worse, particularly, in Nova Scotia with the recent reforms.

Ontario auto results: It is much too early. I'm sorry, from an actuarial point of view, it is just much too early. For the bodily injury claims, right now we know that about 5% have been paid and 50% to 60% of the claims that will ultimately be paid are unreported. It is simply too early. The issues have been, will the MIG hold? If the MIG holds, the reforms may well be more effective than the actuaries had originally estimated. The original estimate was 32%. It may well be closer to 40%.

The other thing that happens is, in the early parts of the reforms, there is what is known as a honeymoon period. During this period, the results are better than expected as both claimants and their representatives get used to the new system. So there is a honeymoon period. It has happened in every reform across the country.

The next area I wanted to look at was return on investment. What this shows you is what has happened to the yield for the three-to-five-year bond. It has gone from a high of 11% in 1991 down to slightly less than 2% in 2011. For P&C insurers, this is a massive issue. Approximately 83% of their investments are in bonds, and a high percentage of those are in government bonds. P&C insurers take huge risks with underwriting insurance, and they tend to have conservative portfolios to offset the insurance risks they're taking on.

The general view, certainly by the major bank economists, is that interest rates will remain low throughout 2013-14. There will be some upward pressure, but not that much, particularly with what's going on in the States. Insurers do have to reinvest their bonds as they expire at lower rates, and this has been driving down investment income. Once interest rates go up, the market value of the bond portfolios will decrease. It's just mathematics: as interest rates increase, the value of the bonds you have on your books today decreases.

I'm now going to go on to return on equity—this is a bit of a fly through insurance. FSCO has stated that rates are supposed to be just and reasonable and set at a level so as not to impair the solvency of the insurance company and not be excessive in relationship to the circumstances of the insurer.

I'll skip the next couple, in the interest of time.

From an economic perspective, the rate of return on equity that achieves the goals that FSCO has set apart is the cost of capital. If insurers are receiving their cost of

capital, consumers will pay the lowest possible rates in the long run and investors will make their expected returns. If the ROE is too high, investors earn more and consumers pay more; however, in the medium term, the rates would decrease as the P&C insurers, with their 80-plus competitors—it's very competitive. They will bring down the rates or else they will lose business. If the ROE is too low, consumers benefit in the short term, but in the longer term, firms either leave the market in search of better returns or rates will have to increase. There's no magic to it.

Using reasonable assumptions based on current conditions, to make a 12% return on equity, the company had to have a loss ratio of 71.5%. To make a 10% return on equity, it would be about 72.9%.

The next page shows you the loss ratios. Clearly the loss ratios are not in the neighbourhood of the low 70s. The most recent year's loss ratio was 81%, so they're just not in the neighbourhood where you would make a 12% return on equity.

Using reasonable assumptions, the industry would have received a 12% in five out of the last 15 years. Unfortunately, the bad years have been much worse than the good years. In the bad year, the industry outperformed the required loss ratio by four points, and the loss ratio was 10 points higher than required on the bad years. So the 12% ROE is largely mythical. Insurance companies are not seeing it. It's not happening. It seems clear that the process by which rates have been judged by FSCO has a downward bias.

Now I'm going to get into the actuarial rating process. Return on equity is just one of the many variables. Our goal as actuaries is to closely match risk and rate, so each person pays as closely as possible to the system the risk that they represent. We are then comfortable as an insurance company writing almost any risk that is presented to us. This is extremely important in a take-all-comers environment. If you force insurers to take everyone who comes in the door, then they've got to be comfortable that they are getting the appropriate rate for that risk.

As actuaries, we consider many things: historical results, trends, loss development and expenses, product changes, investment income and other macro elements, such as the price of gas or changes in weather. We consider all of these in the rating process.

We look at variables that are predictive of risk. This is probably the key that we are worried about. Is the variable predictive of risk and is it socially acceptable? There are variables that are clearly not socially acceptable and cannot be used. So we look at the number of claims, age, gender, marital status, distance driven, commute distances, difficulty of commute, where you live, community densities, demographics, convictions, types of cars, vehicle use, the number of drivers relative to the number of vehicles—which ends up being very predictive; where the car is parked—is it in a garage? Coverage selected, deductibles and limits—and there are a number of other variables that are very predictive of risk that are currently not allowed, and that I believe should

be allowed, including credit rating, payment history, income and employment, particularly when some of the benefits are based on income and employment.

So in the actuarial rating process, we look at various statistical models, including something called multiple regression. We do this so insurers are not over- or undercharged, because if you were to look at every individual factor alone—for instance, underage males: We know that underage males have higher frequency and higher severity. We also know that those people at younger ages have higher severity.

The Acting Chair (Mr. Michael Coteau): You have about a minute left.

Ms. Barb Addie: Okay. So if I just look at everything like this instead of looking at it as a whole, underage males will be doubly charged, which is just wrong and not what the insurance companies want. Actuaries look for equity, where individuals pay their fair share based on the risk they represent. That is how we look at rating. Thank you.

The Acting Chair (Mr. Michael Coteau): Thank you very much. We'll start with the government side. Questions?

Ms. Tracy MacCharles: Thank you for your presentation. It brings me back to my Manulife days. I'm not an actuary, but it does bring back memories. Thank you.

On Bill 45, I understand that that opposes a rating structure that has a StatsCan population measure as a rating variable that's ranked fourth in order. It's been claimed that that measure would help save the north from debilitating effects of the bill. Do you find that claim to be accurate at all?

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Ms. Barb Addie: Ultimately, you've got to pay for all the claims. If I'm going to lower rates here, I have to increase rates here. It's a certain bucket of money. I find that claim to be dubious.

Ms. Tracy MacCharles: And if the territories are removed as a rating factor, what would happen to rates across the province?

Ms. Barb Addie: Well, if the territories were removed, because there is such a significant difference between what happens between territories, people who live in territories where it is underrated would find that they would have a supply problem. As an insurer, why should I knowingly put a risk on my book that is underrated? If I do that, I'm being unfair to my policyholders because I'm impairing my solvency, and I am being unfair to my shareholders because I'm impairing profitability. I cannot, in good conscience, put that risk on my book. What do I do? If I'm a broker company, I cancel all my brokers in those areas. I can't take that. If I am a direct writer, I'm going to have to go to FSCO and say, "I will not write in this area because I cannot put that badly an underpriced risk on my books."

Ms. Tracy MacCharles: Thank you.

The Acting Chair (Mr. Michael Coteau): PC caucus.

Mr. Jeff Yurek: Thanks for coming. I just have a quick question. I appreciated this report here. On ROE, there has been talk about the 12%—it was stated in 1989, I think—that it's too high. If the committee moved forward and pushed forward and the government came out and lowered that rate drastically, would you think that—in the short term, it would be a benefit, as you said, but long term would we be looking at bailing out the insurance companies from going under?

Ms. Barb Addie: Because there's such a downward bias in the rate review process, lowering it dramatically—first of all, it would not be supportable by economics. Lowering it somewhat, I agree, is supportable right now by economics; lowering it dramatically, not so much. You could probably lower it to about 9%, because that gives you a cost of capital of about 7% when you add on inflation. So I think you could lower it but not dramatically. But I agree it could be lowered at this point in time.

The Acting Chair (Mr. Michael Coteau): NDP caucus: MPP Singh.

Mr. Jagmeet Singh: The purpose of Bill 45 is to reduce the granularity, if you understand the idea of a statistical area which would allow for very many distinguished areas throughout the region. The purpose is to reduce the granularity within one region. For example, currently the city of Toronto may be subdivided by insurers into 10 districts with sometimes very significant premium differentials between otherwise identical drivers living on either side of a district boundary. There are around 10 or more districts outside the city of Toronto, within the Toronto CMA. The assertion is this: The major impact of requiring a single rating category for each CMA would be a significant reduction in premium differentials within the Toronto CMA and any CMA so that the granularity between one region would reduce so that we don't have one person living in one postal code within the same city and someone else living in a different postal code having a significant difference between their rates. Do you agree with that assertion?

Ms. Barb Addie: No. Absolutely not.

Mr. Jagmeet Singh: Why is that?

Ms. Barb Addie: The whole concept of a rating structure is to match risk and rate. If I arbitrarily choose to take out a variable that I know to be very predictive, then I am not matching risk and rate. I am putting underpriced risk and overpriced risk in my book.

Mr. Jagmeet Singh: But the issue is the granularity between one region. If you're saying the GTA is a region, and the GTA has a differential of 150%, so 2.5 times higher premiums within the same geographic area of 30 kilometres, to reduce that differential would be, one, social policy acceptable in terms of the unfairness of it, and secondly, in the GTA, people drive all over. Someone may live in the downtown region, but their car may be parked all day long in Brampton. Someone may reside in Scarborough and park all day in Brampton. It's very unfair as a policy, and reducing that granularity would only impact that one CMA. Do you agree with that assertion?

Ms. Barb Addie: If you were only to reduce it in Toronto, I would agree with that, but it's still wrong.

Mr. Jagmeet Singh: But would you agree with the assertion.

Ms. Barb Addie: The reason that the rates are being charged higher—

The Acting Chair (Mr. Michael Coteau): Okay, we'll just get the answer, and then we'll wrap up here.

Mr. Jagmeet Singh: Do you agree with the assertion, whether it's right or wrong? Do you agree with the assertion that reducing the granularity would only impact the differentials within that one region?

Ms. Barb Addie: If that's the way you write the bill.

The Acting Chair (Mr. Michael Coteau): Thank you very much.

DR. J. DOUGLAS SALMON

DR. MILAN UNARKET

The Acting Chair (Mr. Michael Coteau): Next I have J. Douglas Salmon. Welcome. As you're aware, it's a 10-minute deputation, with five minutes for questions from all three parties. Please state your name for the record.

Dr. Milan Unarket: I am Dr. Milan Unarket. I am a physiatrist, a medical specialist in physical medicine and rehabilitation, at Bridgepoint Hospital.

Dr. J. Douglas Salmon: I'm Dr. J. Douglas Salmon. I'm a neuropsychologist and rehabilitation psychologist in practice here in Toronto.

Dr. Milan Unarket: I'll start. As a physiatrist, I'm responsible for the in-patient rehabilitation and traumatic brain injury rehab unit. There are only three of these rehab units in the city, and we service pretty much all of Ontario, for those who have traumatic brain injuries who come from trauma centres like St. Mike's, Toronto Western, Sunnybrook. I treat most people through the OHIP system. I see people who go from day one, when they show up to in-patient rehabilitation, to those who have MVAs who have gone through the period of time when they have significant med rehab benefits, and then long after, actually, when the med rehab benefits are over and I still continue to follow them, because sometimes when they've had a brain injury they have lifelong issues.

I was part of the alliance that did some of the recommendations that basically critiqued the cat expert panel. One of the comments I wanted to make was on the GCS. The GCS—the level of how unconscious you are after a brain injury—although it has flaws, is very widely used. It's done by paramedics, it's done by nursing, it's done by other trauma centres, it's done in in-patient rehabilitation. GCS is still not a bad predictor of injury severity. Even though there are some better predictors of injury severity, it's something that's widely used and should probably still continue to be used to deem whether someone is catastrophic or not in brain impairment, because it's something that can be done quickly, easily.

It's accessible, and it's done very widely, so people can say whether you're cat or not from the get-go.

When people are not deemed cat initially and they don't get the proper treatment, it has a significant impact on their functional outcome. Jaisa, the young woman with a spinal cord injury: I was actually her treating physiatrist. If she did not have access to these med rehab benefits, she would have had a very different functional outcome. She would not be able to be walking as much, and she would not be able to do a lot of the activities and function in day-to-day life as she currently can.

When I was reading the cat expert panel recommendations, a lot of them were, I thought, quite insurer-biased. As someone who has been doing this kind of work for a long time, you know who has made what recommendations. Out of the seven people, you would have known who would have done what recommendations and who are the treating clinicians and who are not.

The other thing is, some of the recommendations they made were—they're not actually working as part of treating patients. Some of the recommendations were, "They go to in-patient rehabilitation; they get the automatic cat designation." That's a good idea, but there are a lot of people who have brain injuries who just don't get access to in-patient rehabilitation. Just because you have an injury doesn't mean you get access to in-patient rehab. There are a lot of brain injury patients who don't want to come to in-patient because they think they don't need it; they think nothing is wrong with them. You have to be very careful with some of these recommendations that are being made because they have a significant impact on people's functional status.

The other thing I see is that a lot of OTs, PTs, SLPs, massage therapists will do these OCF-18s and make treatment recommendations, then you have these adjusters who have no training, don't actually know the patient—they never met the patient. They make these denials sitting behind a desk. They don't see the human element, and they don't actually see how it impacts on somebody functionally. So some of their decisions are quite arbitrary, and they don't even have to send them to an IE.

The IE system is also broken. When they're sent to an IE, the people who are doing IEs are very insurer-biased, because the companies that are brokers only hire people who will actually give the opinion that they want. When I first started out in practice, I naively was doing some of these assessments, and then the company would say, "Are you sure you don't mean this?" They'd want us to write what they wanted to write. I stopped doing those assessments, because if you don't write what they say, they don't end up using you. So these insurance examinations are inherently problematic.

The adjusters who deny this don't realize the functional impact it has on these individuals. So when it goes to mediation a year or two years later, it's too late; people don't get the treatment. They only have a certain window of recovery for treatment, and then that window is gone.

The reduction of the med rehab limits from \$100,000 to \$50,000 has a significant impact. There are a lot of

people who don't meet MIG yet aren't catastrophic. There is that certain population subset that gets significantly impacted. So that \$50,000 goes very quickly. The change that they made in 2010 is that all the assessments that are done are also of that \$50,000 med rehab limit. It actually significantly impacts on someone's treatment. So if you have \$6,000 or \$8,000 in assessments or \$10,000 in assessments, that's 20% of someone's treatment. That's 20% of \$50,000. That significantly impacts. That further reduces the amount of money available.

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Dr. J. Douglas Salmon: As a neuropsychologist and rehabilitation psychologist, my practice covers treatment, assessment, the IE side as well as the cat designation side. I've also been involved in numerous professional association committees as well as FSCO-related committees over the years.

I've been struck by the substantial loss of consumer and claimant protection with respect to the outcome of the SABS reforms, though lauding the government for its efforts at trying to contain costs as well as fraud-related concerns.

In the interests of time, I'll abbreviate my talk. You do have my written submission, which I would encourage you to review in more detail.

One of my concerns, to summarize the abbreviated points—and then I'll talk more about the IE system. I do have concerns about the cat panel recommendations, particularly with respect to the combination of physical and psychological impairments as well as changing the mental behavioural definition. Both of these will clearly dramatically decrease the number eligible victims who will be eligible for cat entitlement.

I also have concern with respect to the lack of clarity in the MIG relative to the inclusion of mood, anxiety and other mental health disorders with respect to what levels of severity are considered to be in or outside the MIG. Lack of interpretive definition, which will eventually come through case law—it's still potentially many months to years away. And without this clarification, obviously both insurers as well as IE providers have a certain sense of confusion, lack of clarity and, as such, there will be many denials and lack of mental health services provision on that basis.

There's also lack of rehabilitation funding for those folks who are MIG captured yet at the same time still need IRB benefits. So you have a situation which an individual has IRB entitlement within the MIG, but even if the insurer wants to provide services beyond the MIG-based caps, they're not permitted to. Clearly, that will add to exposure on the tort side.

I also have concerns with respect to the insurer buy-up option. It's understood that the buy-up has been very poorly undertaken by most consumers so far. That leaves folks greatly exposed. As well, within the buy-up, there's no option to actually buy up relative to the MIG. If you buy up to the \$1-million provision, for example, you're still considered to be within the MIG applicability.

I also have concerns with respect to the shifting of health burden, of costs, to an already stressed public

service sector as well as relevant support systems, and also query whether insurer reimbursements to the public system have and will be upwardly adjusted accordingly to adjust for the cost shift.

The Acting Chair (Mr. Michael Coteau): You have about a minute left, sir.

Dr. J. Douglas Salmon: Okay. Thank you.

My other concerns relate to the loss of the mandatory and evidence-based assessment system, which I feel is really the hallmark check and balance within the system itself.

The removal of the DAC structure in 2006 basically removed the impartiality, the neutrality and the evidence-based assessment system. Other colleagues have already commented on the importance of and the stress and pressure on IE examiners relative to the relationship between an IE assessment centre and the IE. With a \$2,000 cap, as well, there are significant, added cost-related pressures that have resulted in increased use of inexperienced new graduates and the like within the system.

I've made a number of recommendations specifically to how I would encourage you to consider reform relative to the IE system to make it more comparable to the DAC system relative to the need for impartial assessments, including for assessors to have to sign an acknowledgement form, a duty basically suggesting the need for impartiality and neutrality.

The Acting Chair (Mr. Michael Coteau): That's time, sir.

Dr. J. Douglas Salmon: Okay.

The Acting Chair (Mr. Michael Coteau): Do you want to take 15 seconds to wrap up?

Dr. J. Douglas Salmon: I think—basically, you can read the other recommendations that pertain to IE reform.

The Acting Chair (Mr. Michael Coteau): Thank you very much. We'll start with the PC caucus. MPP Scott?

Ms. Laurie Scott: Thank you very much for appearing here today. I'm just trying to quickly read some of the other recommendations that you made. It's quite concerning that the IEs don't have any qualifications—very concerning, actually—and that there's no real method of appeal.

Before, when we had the DACs—not that I want to go back to DACs, but there must have been some minimum qualifications. I just wondered: Do you want to take a little time to say that or anything else you want to add on?

Dr. J. Douglas Salmon: Yes. Many of my recommendations are quite parallel to what the DAC protocols were. There was, to begin with, a minimum standard in terms of the qualifications and experience required relative to different types of DACs. I believe it was three years for most DACs and five years' minimum qualification experience for the cat DACs, for instance. There were specific protocols pertaining to how assessments were to be formulated, what specific disciplines should form part of the assessment team, and the requirement for an integrated type of report whereby you can't just have a multidisciplinary assessment without each assessor being

aware of and considering the different findings within the assessment team. Peer review was required so that it couldn't just be a general practitioner who was reviewing a treatment plan of a psychologist; it had to be a psychologist—like-for-like, for example; clearly important.

In addition, there was the requirement of a treatment caseload for any examiner who was reviewing an OCF for assessment or treatment planning purposes. I can't just be a university professor claiming to be a clinical psychologist; I also have to have an active treatment caseload, which suggests that I would then be informed in terms of state-of-the-art practices in terms of treatment and rehabilitation.

The Acting Chair (Mr. Michael Coteau): Thank you. I'm going to have to move to the next question. NDP caucus?

Mr. Jagmeet Singh: Yes. With the replacement of the DAC system with the current IE type of structure, coupled with the 2010 regulations that slashed benefits in terms of the protection that the consumer received, would you agree with me that these are all amendments that disproportionately favoured the insurers as opposed to the consumer?

Dr. J. Douglas Salmon: I would say so, definitely.

Dr. Milan Unarket: Sure, because now the adjusters can just arbitrarily deny treatment. It makes a big difference in terms of cost. They have an inherent bias to reduce the cost.

Mr. Jagmeet Singh: Thank you so much. In terms of improving the IE to reform the IE structure system, returning some of the DAC-like elements that were more fair would be one of your suggestions. In terms of reducing or relieving some of the pressure placed on those who are tasked with the assessments by the insurers, what would be some strategies? Something that I thought, off the top of my head, is that treatment clinicians on a roster, treatment clinicians being used, as opposed to insurer-preferred clinicians—any other suggestions for reforming that one issue of insurer pressure on getting a certain assessment that's favourable for the insurer?

Dr. J. Douglas Salmon: Yes. The idea of this acknowledgement—there were tort reforms requiring, in medical-legal cases, form 53, the duty of acknowledgement towards impartiality and the like. I think it's a very important principle. Certainly, the notion of whenever an individual assessor is reviewing treatment plans and assessment plans—it's critical that they have an experiential base that reflects current treatment, an active treatment caseload. That would be important.

In addition, there has been a suggestion that there be a comprehensive certification program for IE assessors. It's not necessarily the case that somebody who has a treatment caseload and background would necessarily know how to do a disability assessment properly or a post-one-or-four-week disability assessment properly or a cat assessment properly. But certainly, from the standpoint of addressing the treatment and rehab questions, by all means, that kind of treatment background is essential.

1750

The Acting Chair (Mr. Michael Coteau): Okay. I'm going to go to the government side now.

Ms. Tracy MacCharles: Thank you both for your very comprehensive presentations, which I'm sure will inform the committee in its work.

I have a couple of questions, quickly, on the GCS. Is it true that the GCS of a person can change over time, and is the concept of GCS outcome extended scale a better approach?

Dr. Milan Unarket: The GCS can change over time, but that's why they say the GCS has to be nine or below within a reasonable time period, right?

Ms. Tracy MacCharles: Right, so it can change.

Dr. Milan Unarket: Right, and the impairments that you have secondary to a low GCS have to be related to brain injury or brain impairment.

The other thing is, an expanded scale would be welcome, but the issue is that it has to be done in a timely manner so that people aren't waiting six months, one year, to become cat, because if there's a dispute over whether someone's cat or not, what happens is the patients get denied treatment for one to two years post-injury and their therapeutic window of recovery is gone. You can start giving OT, PT up to three years post, but if you give it within two or three weeks, it makes a significant difference in their functional outcome.

Ms. Tracy MacCharles: And can it be that there are some problems or biases, if someone's drinking—

The Acting Chair (Mr. Michael Coteau): I'm going to have to stop you there, MPP MacCharles. We're at six minutes of questions now.

Ms. Tracy MacCharles: Thank you.

The Acting Chair (Mr. Michael Coteau): Sorry. Thank you very much for coming. We appreciate it.

FSCO—CATASTROPHIC IMPAIRMENT EXPERT PANEL

The Acting Chair (Mr. Michael Coteau): Next I have Pierre Côté, the chair of the FSCO—Catastrophic Impairment Expert Panel. Mr. Côté?

As you're probably aware, 10-minute presentation—

Dr. Pierre Côté: Yes.

The Acting Chair (Mr. Michael Coteau): —five minutes of questions.

Dr. Pierre Côté: Thank you very much.

The Acting Chair (Mr. Michael Coteau): Thank you. Please state your name and you can begin.

Dr. Pierre Côté: My name is Pierre Côté, and I am the chair of the Catastrophic Impairment Expert Panel.

Mr. Chairman and members of the committee, thank you for providing me with the opportunity to speak to you today. I am speaking in my capacity as the chair of the Catastrophic Impairment Expert Panel.

By way of background, I am an associate professor of epidemiology at the Dalla Lana School of Public Health here at the University of Toronto and a scientist within

the Division of Health Care and Outcomes Research at the University Health Network.

In October 2010, the Financial Services Commission of Ontario issued a request for proposal to chair the Catastrophic Impairment Expert Panel. I submitted a proposal to FSCO and was selected for this task. The expert panel was mandated to review the definition of catastrophic impairment located in the SABS and to make recommendations to the superintendent of FSCO on changes to the definition. The overarching goal of the panel's work was to ensure that the individuals who are the most seriously injured in traffic collisions are assessed according to the best scientific and medical evidence.

The expert panel included an independent, multi-disciplinary team of internationally renowned clinicians and scientists who are highly skilled in the evaluation of impairment and in scientific methodology. The panel included: Dr. Arthur Ameis, who is a physiatrist and the medical director of the Multi Disciplinary Assessment Centre in Toronto; Professor Linda Carroll, who is a clinical health psychologist and an epidemiologist at the School of Public Health at the University of Alberta; Professor David Cassidy, who is senior scientist and epidemiologist at the University Health Network and a professor at the Dalla Lana School of Public Health at the University of Toronto—Dr. Cassidy was also the scientific secretary of a WHO, World Health Organization, task force on the problem of mild traumatic brain injury; Dr. Ron Kaplan, a neuropsychologist in private practice in Hamilton; Dr. Michel Lacerte, who is a practising physiatrist from London, and he is also an associate professor in the department of physical medicine and rehabilitation at the University of Western Ontario; Professor Patrick Loisel, an orthopedic surgeon and director of the work disability prevention training program at the University of Toronto; Dr. Peter Rumney, who is a well-renowned pediatric neurologist, senior physician and director of rehabilitation at Holland Bloorview kids hospital here in the city; and myself.

With regard to the definition of catastrophic impairment, the expert panel was given two functions: first, to identify ambiguities and gaps in the current SABS definition of catastrophic impairment, and to use emerging scientific knowledge and judgment to make recommendations for changes in the definition. In other words, the expert panel was asked to review the scientific evidence to modernize the definition, which was initially developed in 1996, and to improve the accuracy of the determination of catastrophic impairments following traffic injuries.

The work of the expert panel followed a rigorous and transparent scientific methodology that was approved by all panel members. Our work was conducted under the following guiding principles. The panel based its deliberation and developed its recommendation using emerging scientific knowledge and judgment. The work of the panel gave precedence to valid and reliable scientific evidence over best practices from other jurisdictions or

opinions. All our recommendations were developed following an established methodology called the Delphi methodology, which is a well-accepted scientific method to develop consensus statements in medicine. According to our methodology, consensus was reached when 75% of the panel—that is, six out of eight members—agreed with the recommendation.

The expert panel proposed 10 main revisions to the current definition of catastrophic impairment. The panel reached consensus on all recommendations.

First, we recommend that all injured persons less than 18 years old should be considered pediatric patients. This is particularly important or relevant to the long-term developmental implications of traumatic brain injuries in children.

Second, the expert panel recommends that the American Spinal Injury Association, ASIA, classification of spinal cord injury be used to determine the severity of impairment related to spinal cord injuries. The scientific evidence clearly indicates that this classification has adequate validity and reliability in identifying those with spinal cord injuries and in predicting their outcome.

Third, we recommend expanding the definition of catastrophic impairment related to amputation to a category of impairments that includes severe injuries of the ambulatory system in terms of mobility.

Fourth, we recommend that catastrophic impairment related to blindness be defined as legal blindness.

Our fifth recommendation relates to the determination of catastrophic impairment related to traumatic brain injury in adults. Based on the most recent and valid scientific evidence, we recommend that the extended Glasgow outcome scale, also known as GOS-E, replace the Glasgow coma scale and the Glasgow outcome scale.

Sixth, the expert panel recommends that the American Medical Association guides for the evaluation of permanent impairment—that is, the fourth edition—and the impairment rating of at least 55% whole-person impairment be retained to rate physical impairment that is not covered by the previous definitions that I have just discussed with you.

The panel recommends that physical and mental or behavioural impairments cannot be combined in any valid and reliable manner using the AMA guides. We have reviewed this literature, and this is clear. After review of the scientific evidence, the panel found no valid and reliable methods that can be used to combine physical and psychological impairments; therefore, we could not make any recommendations on a specific method.

Our eighth recommendation relates to psychiatric impairments. We recommend that the superintendent issue a guideline to define the specific post-traumatic psychiatric disorders that will be considered eligible for catastrophic impairment designation. We also recommend that the global assessment of functioning scale be used to measure the severity of a psychiatric condition.

The panel spent a great deal of time and energy to ensure that children with traumatic brain injury are assessed

and managed according to state-of-the-art criteria and in a timely manner. Therefore, we recommend that children who are admitted as in-patients to a level-one trauma centre and show evidence of intra-cranial pathology be automatically deemed to have sustained a catastrophic impairment. Similarly, those who are admitted as in-patients to a publicly funded rehabilitation facility should also be automatically deemed to have sustained a catastrophic impairment. For those who are not admitted to these hospitals, we recommend that the King's outcome scale for childhood head injury, also known as the KOSCHI, be used to assist with the determination of catastrophic impairment secondary to traumatic brain injuries.

1800

Finally, the panel recommends that an interim catastrophic impairment status be created for adult patients with traumatic brain injuries to ensure that they get good and timely care. The interim designation would apply to those who are accepted for admission to a program of in-patient neurological rehabilitation at a recognized neurological rehabilitation centre in our province.

Similarly, we recommend that the interim catastrophic impairment status apply to any patient whose traumatic physical impairment is at least 55% when that determination is made at least three months after the accident date. The purpose of interim catastrophic impairment status is to ensure that these injured individuals have access to rehabilitation services that are necessary to maximize their health recovery.

In conclusion, Mr. Chairman, the catastrophic impairment expert panel used the best scientific and medical evidence to inform the superintendent on ways to modernize the definition of catastrophic impairment and ensure that Ontarians who are seriously injured in traffic collisions are evaluated or assessed according to state-of-the-art methods.

Once again, Mr. Chairman, I thank you for the opportunity to address the committee.

The Acting Chair (Mr. Michael Coteau): Thank you for your deputation. We'll start with the NDP caucus.

Mr. Jagmeet Singh: What are some of the fears that you have if the cat assessment or the criteria is changed at this point? The direction that it seems to be heading in—how's that going to impact Ontario and how is it going to impact Ontarians?

Dr. Pierre Côté: I think that Ontarians will benefit from the recommended changes, because when they are now seeing an expert physician or neuropsychologist, they will be assessed according to the best scientific and medical methods to determine whether or not their injury meets the criteria which was stated by the Legislature.

Mr. Jagmeet Singh: What are your fears about what could happen if we go in the wrong direction in terms of cat assessments?

Dr. Pierre Côté: My fears in terms of—

Mr. Jagmeet Singh: What would happen to the quality of care that people receive if we don't use all the

proper mechanisms and all the proper assessment techniques and use a state-of-the-art assessment strategy?

Dr. Pierre Côté: Again, I think that the recommendation will actually improve greatly on the current criterion definition, so therefore the care provided to Ontarians, in my opinion, will improve if the recommendations are accepted.

Mr. Jagmeet Singh: You've touched on this, but what is the major factor or the major shortfall with the current system and what's the major benefit of the new system?

Dr. Pierre Côté: The major shortfall with the current system is the lack of valid and reliable criteria used by a physician expert to assess these patients. A lot of these criteria were developed 15, 20, 25 years ago and no longer represent the best scientific and medical knowledge that we have.

The Acting Chair (Mr. Michael Coteau): Thank you. We'll move to the government caucus.

Ms. Tracy MacCharles: Just picking up on your point about the process for children, I'm wondering if you could elaborate on the benefits of that recommendation by yourself and the panel, short-term and long-term. What does this mean for children in Ontario? What does it mean to their future?

Dr. Pierre Côté: It means that if the recommendations are accepted, if a child who has a severe traumatic brain injury meets the criteria that were outlined, they would be allowed to automatically access the catastrophic impairment benefits. And we know that the development or the repercussions of these injuries in children are long-term, and they are very difficult to predict. Therefore, we saw it as our responsibility to ensure that they get proper benefits in the long term to make maximum recovery—to go back to school and social activities, if at all possible.

Ms. Tracy MacCharles: So it's the future for them.

Dr. Pierre Côté: Yes, it is, ensuring that these children and their families—

Ms. Tracy MacCharles: And our future.

Dr. Pierre Côté: Correct.

Ms. Tracy MacCharles: Thank you very much.

The Acting Chair (Mr. Michael Coteau): The opposition side: questions?

Mr. Jeff Yurek: Two quick questions: With this report, you're getting a lot of personal evidence; do you

think it's going to improve it? I agree with scientific evidence as leading the future, but have you done an analysis of how this will affect previous cases that have had to go to court or mediation? There's a lot of grey area now due to how we've evolved, and this is going to make it more black and white. Have you guys looked at that or has anybody done a report as to how that would have affected people getting care previously?

Dr. Pierre Côté: No, we have not done an analysis, since it was not in the mandate of the panel that I was asked to chair.

Mr. Jeff Yurek: Do you know if the government is looking at doing that?

Dr. Pierre Côté: I cannot tell you. I don't know about that.

Mr. Jeff Yurek: My last question is: The superintendent of FSCO has sent us his report to Dwight Duncan on his recommendations. Have you seen that report or have any knowledge of what's in that report?

Dr. Pierre Côté: The superintendent, as a courtesy, told me that he had submitted his report to the minister and consulted me during the process about the meaning of our recommendations. That's the extent of—

Mr. Jeff Yurek: You don't have any further information on what his actual intentions are?

Dr. Pierre Côté: No.

Mr. Jeff Yurek: Do you know when he sent that report to Dwight Duncan?

Dr. Pierre Côté: I have no idea. All I know is that the superintendent told me that he was to submit the report to the minister. I have no other information.

Mr. Jeff Yurek: Do you think it would be beneficial for Mr. Duncan to release that report to all stakeholders and the panel for your review on what his changes are going to be to catastrophic before he implements the changes through regulation?

Dr. Pierre Côté: That's really up to the minister. Our report was published online on the FSCO website and has been heavily looked at. That's really up to the minister to adopt a consultation process that he deems appropriate for his purpose.

The Acting Chair (Mr. Michael Coteau): Thank you, Mr. Côté.

With no other items on the agenda, this meeting is adjourned.

The committee adjourned at 1807.

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Lundi 4 juin 2012

Standing Committee on General Government

Traffic congestion

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Congestion routière



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STANDING COMMITTEE ON
GENERAL GOVERNMENTCOMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES

Monday 4 June 2012

Lundi 4 juin 2012

The committee met at 1403 in room 228.

TRAFFIC CONGESTION

The Chair (Mr. David Orazietti): Good afternoon, folks. Welcome to the Standing Committee on General Government, here today to consider a motion that was put forward from the Conservative caucus, a traffic congestion study.

METROLINX

The Chair (Mr. David Orazietti): Our first presentation: Bruce McCuaig, Judy Pfeifer. Good afternoon. Welcome. As you're aware with regard to your presentation, you have 20 minutes for your presentation. Time that you do not use will be divided among members to ask questions, but you have the 20 minutes and then there will be 20 minutes for questions among members of the committee. So you can simply state your name and you can start when you're ready.

Mr. Bruce McCuaig: Very good. Thank you very much and thank you for the invitation to appear before you today. My name is Bruce McCuaig. I'm president and CEO of Metrolinx. I'm joined on my right by Judy Pfeifer, who is the vice-president of strategic communications.

Thank you very much for this interest in something that I believe is so critical to the future of the people of the greater Toronto and Hamilton area, that relates to our economic competitiveness, quality of life and the environment. There's no question that we do have a challenge and a problem here in this region, and that problem is called congestion. But we also have a solution and that solution is called the Big Move, the regional transportation plan for the greater Toronto and Hamilton area. In the next few minutes, I just want to give you a very brief overview of Metrolinx, the congestion challenge, the Big Move and steps that we're taking through the investment strategy to move in that direction. There is a slide presentation that's in front of you and I'll be following through on that for, ease of following from your perspective.

On slide two, Metrolinx is a relatively young agency. It was created in 2006. It's important that our mandate area encompasses the greater Toronto and Hamilton area, which we consider to be an integrated city region from an

economic perspective. We have basically three objects or mandate areas: We plan for the future; our objective is to deliver projects on time and on budget; and we integrate transit and transportation across the region, which we believe is key to making sure that we have a modern and efficient transportation system for this region.

On slide number three, you'll see that we have three operating divisions at Metrolinx. People are very familiar with the ubiquitous green and white GO Transit system, but we also have the Presto integrated fare card and air-rail link as our two newest operating divisions.

Very briefly, on slide number four on GO Transit, it has just recently celebrated, in the last couple of weeks, its 45th year of operation. What was started as a small pilot project carrying a few thousand passengers on a daily basis has now grown to a region-wide system that carries about 216,000 passengers each and every day across a fairly comprehensive rail and bus network that is one of the largest commuter systems in North America. GO Transit merged with Metrolinx in 2009, and we look at ourselves as the Metrolinx organization being responsible for policy, planning, the long-term vision of where we're moving towards; and GO Transit as one of our key instruments or mechanisms in order to deliver on that vision for the future.

On slide number five, just some metrics about GO Transit. We have 61 million riders on an annual basis now. We are growing at about a rate of 7% to 8% on an annual basis. We do recover about 80% of our operating costs from the fare box, which is among the highest in North America. And we've grown by a significant margin over the past five years: 21%. We're very proud of the fact that GO Transit is operating at 94% on-time performance. That's part of what we've called our passenger charter, our promises that we've made to our customers about issues that are important to them: on-time performance, comfort, safety, satisfaction. We've taken the unique step of posting our promises and our commitments on our website and reporting back to our customers on a real-time basis.

In the past year—just to give you a sense of some of the achievements and the outcomes at GO Transit—we've extended service to Kitchener. We have a new station in Barrie. We've opened up 4,500 new parking spots. We're piloting weekend service to Barrie. We have new trains on the Milton corridor. We've just ordered 60 new cab cars, bi-level coaches, for the rail system. We've implemented Presto on the bus and rail network. We've

launched the GO mobile application, which provides real-time information to about 120,000 of our customers. We've launched the award-winning Let GO Know survey tool so that our customers can provide real-time feedback to the organization.

On slide number six, our second operating division is the air-rail link. Our target is to launch, in early 2015, new service from Union to Pearson Airport, with 25-minute service door to door and with stops at Dundas West and Weston. The vehicles have been ordered, the construction is under way, and we're moving towards delivery of this project on time and on-budget.

On slide number seven, there are currently about five million people who travel on an annual basis from the downtown area to Pearson, and right now they have no alternative but essentially to get in their car, a taxi or a limousine. We're projecting that, in the first year alone, we'll be taking approximately 1.2 million vehicles off our roads through this new service. Again, our objective is to be ready in time for the Pan Am/Parapan Games in 2015.

On slides eight and nine, there's a little bit of information on the Presto fare card, a smart card system that enables transit riders across the greater Toronto and Hamilton area to move within and between transit systems using one single card. This is an important part of our vision, part of our legislative mandate to move towards a more integrated delivery of regional and local transit services. We're now live across the GO Transit system on both the rail and bus network, on seven municipal bus systems across the greater Toronto and Hamilton area and at 14 subway stations.

We are just gearing up now to roll out across OC Transpo in Ottawa, and we expect to be fully deployed in the TTC system in 2015. Currently, we have 180,000 customers who carry Presto in their purses and wallets. We anticipate we'll have 400,000 customers by the end of the year, growing to four million to six million customers once we've fully deployed in 2015. Our customers tell us that they love Presto. It's simple, easy to use, no lineups, no worry about cash or transfers, and they can register their cards to protect against loss or theft. Those are their words, not our words.

The next few slides talk about some of our congestion challenges in the region. Going to slide number 11, you can see the geography that we deal with at Metrolinx: a highly complex geographic and governance environment with multiple levels of government and multiple transit authorities. It's what I would position as one of Canada's three global cities—Toronto, Montreal and Vancouver. The issues that we're facing are different than the kinds of issues we see in other urban centres because of the size, the complexity and the multiple jurisdictions that you need to manage and deal with as you deliver on transit and transportation projects.

On the following two slides, you see the snapshot of the congestion in 2001 and what our models tell us it will look like in 2031. In 2001, we estimated that congestion cost the economy about \$6 billion on an annual basis, and

that's money to individuals and business, with impacts on time and reliability. The average commute time is approximately 82 minutes to and from your work on a daily basis.

1410

On the following slide, in 2031, you see a business-as-usual forecast for the future, where we have 2.6 million people moving to the region, as well as seven million more trips and, again, in a business-as-usual model, that 82-minute average commute time would grow to about 109 minutes. Now, we know that's not going to happen and one of the reasons it's not going to happen is because we do have what we believe is an effective solution to our congestion challenges, and that's the Big Move that is focused on how we accommodate that 2.6 million people, as well as actually reducing our average commute times to what I said was 82 minutes currently down to about 77 minutes.

Our solution is transforming the transportation system in the region through the Big Move. This is a plan that was endorsed by the Metrolinx board of directors, the province and municipalities in 2008, and we're moving on its implementation now. It's a 25-year integrated transportation plan that deals with all modes of transport across the region.

Our objective is to double the transit mode share, triple the length of rapid transit, putting transit within two kilometres of 75% of the population, but also dealing with other forms of transportation like active transportation, the regional highway and road system and also not just looking at the movement of people, but also considering the movement of goods, because goods movement is a significant part of the importance of our regional transportation system. It's also connected to land use in the context of the growth plan for the greater Golden Horseshoe, as well as the greenbelt plan for this region.

On the following slide, you'll see a schematic of what our current system looks like today. I'm going to, from a transportation planning perspective, call this a radial system. It's very effective. It's designed to carry people from the outlying areas to downtown Toronto. It really is quite efficient, actually, and effective in carrying a large number of people from the outer suburban regions into Toronto downtown. But what it doesn't do is effectively connect people to the other growth nodes that are occurring across the greater Toronto and Hamilton area. If we flip over to the 2031 picture, in essence, the outcome of the Big Move is to put in place a grid of north-south and east-west rapid transit lines that connect the 51 nodes and centres that have been identified across the region through the growth plan, through the municipal official plans. When I say "rapid transit," I essentially mean subway, heavy rail, bus rapid transit, light rail transit, transit that is on a dedicated right-of-way.

On slide 19 you'll see that we've already started on the implementation of this program. We have an unprecedented amount of investment under way, with about \$16 billion in investment. It really is the largest program

that we've had in a generation. I won't go through all those projects in their totality, other than to say that these will have a significant positive benefit for the people who live and work in this region as we move to complete these projects.

We also have a variety of smaller projects under way, things that we've called quick wins, on slide 20, that really are focused on local transit, transit procurement in terms of making our joint efforts more efficient across the transit operators, things like Smart Commute and carpooling.

Slide 21 has an example of one of our larger projects. It's our partnership with York region on the York Viva rapidways program. Bus rapid transit has the benefit in that you can phase in the delivery over time, and the first elements of this system are going into service in 2014, with completion in 2019. It's a \$1.4-billion program, and I'm pleased to say, again, that we are on time and on budget.

The next two slides outline some of the projects that are under way in the city of Toronto, or planned in the city of Toronto. On the map you can see that there are essentially four projects—and I'm going to really focus in on the crosstown project, which is the orange line that cuts across the middle of the page, which is under construction as we speak now, with the launch shaft being built at Eglinton and Black Creek. We are going to be taking delivery of tunnel-boring machines this summer and we will be starting the first tunnel drive this fall for that critical east-west line.

On slide 23 you can see the program that was endorsed at the Metrolinx board in April and how this is built in as well—consideration for the use of alternative financing and procurement in the delivery of these projects.

Union Station is another key hub. It's the largest passenger terminal that we have in Canada, let alone this region, and we have the atrium and the rail shed under construction as we speak. The atrium will be completed in 2015 and is part of a larger program to refurbish Union Station. If you've been down to Union Station recently, you know it's under complete construction between the subway station, the GO concourses and the train shed itself. So it's going to be, over the next few years, a significantly different place.

On slide 25, I just really wanted to emphasize the scale of the amount of work that we have under way in the region right now with a number of programs and the progress we're making in the delivery of transit and transportation around the greater Toronto and Hamilton area. Obviously the size of the font was intended to represent the size of the project. But we have about 70%, for example, of the GO Transit network under construction as this point in time.

So building all this, on slide 27, creates jobs. It creates employment income. It creates GDP growth. It generates new tax revenues. One of the important things about investing in transit and transportation is that the majority of the investment remains right here in the province of

Ontario; about 71% of the work is translated into work here in this province.

In terms of personal benefits, on slide 29, as we move to implement the Big Move, among the personal benefits that families and individuals will see is that we can again reduce commute times by up to 32 minutes of what it would have been if we went with the business-as-usual approach. That of course means more time for people with their families. We also think it's important to point out that if we can help a family, a household, defer the purchase of another vehicle, that's the equivalent of putting about another \$9,000 every year into their family household budget on a net basis, which again we think is an important benefit.

From an environmental perspective, on slide 31, clearly transit plays a significant role on improving air quality, and the implementation of the Big Move will, for example, reduce greenhouse gas emissions in this region by about 40%.

How do we get there is the key point. On slide 33, I would suggest that we get there by making an integrated approach to transportation a priority for business and government. We need to explain to the communities and the citizens why transportation is so important to their collective future, and find new and innovative ways to raise dedicated and sustainable funds. I'll talk a little bit more about that over the next few slides.

On slide 35, we have an interesting provision in our legislative framework that drives us to deliver to the Minister of Transportation and the heads of council of all the municipalities, by June 1, 2013, an investment strategy which includes proposals for revenue-generating tools intended to support the implementation of the transportation plan. So we have a legislative obligation to prepare that document, and that's what we've been focusing our attention on now and will be spending a considerable amount of time on over the coming months to deliver.

On slide 36, three challenges I'd like to briefly talk about are: How do you actually build a compelling package of initiatives for the community, for individuals and for families; how do you determine the actual tools; and, how do you build public support?

On that first piece, about building that compelling package of initiatives, on slide 37, we think it's important that we demonstrate benefits across the entire region, that we look at deliverables not just in the long term but also in the short and medium term; that we think about all modes of transportation. It's just not transit. It also has to be roads. It also has to be active transportation. It also has to be goods movement. We need to think about the delivery schedule and accountability and reporting back to the public. We can't just focus on new infrastructure; we also have to think about the quality of the existing system, improve the customer experience and make our decisions on an evidence-based approach.

On slide 38 are examples of potential projects that I've taken from the Big Move. So these aren't projects that I've made up, these are projects that have gone through a planning process, have gone through a public engage-

ment process, have gone through an approval process, and these are the kinds of projects where an investment strategy would support their implementation over the next years. Again, you can see that we've tried to identify projects from across the region that meet some of those criteria that I just outlined a few moments ago.

In terms of determining the tools, on slide 39, we need to be thinking about a regional approach. I believe that we've outgrown our ability to solve our transportation challenges municipality by municipality. We need to look at how the systems all work together and how we can work together in terms of the tools, their size, their scale, the issues related to their implementation, the impact on transportation demand, the impact on the economy and quality of life more generally.

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We've looked around the world, on slide 41, at different approaches. The bottom line is that there's no perfect business case out there in any of the centres that we've looked at. They've developed their plans based on history, tradition and culture. I guess the other message is that we are not alone, that many urban regions are facing the kinds of challenges that we're facing in terms of building a sustainable transportation system.

On slide 42, in terms of building public support, some of the things that we think are key to success are building an awareness and making it personal to citizens in terms of what's in it for them, their family and for their neighbourhood; making sure that we're building partnerships with champions in the business community as well as local communities, not just in Toronto but across the entire region.

In closing, I'd like to suggest that perhaps there's no other investment that can do as much to protect or enhance our competitiveness as a region, and our quality of life as a region, as the investment and the efforts that we make in regional transportation. This is something that we're very much focused on at Metrolinx. The public has said that they want to see some significant outcomes and benefits, and we're driving to see if we can make that happen.

Thank you very much for your attention.

The Chair (Mr. David Oraziatti): Thank you very much for your presentation.

We'll move to questions. Mr. O'Toole, we've got about six or seven minutes each.

Mr. John O'Toole: Thank you very much, Mr. McCuaig. I'll just start by saying I think the current organization of Metrolinx and the governance model is a vast improvement, allowing you to make decisions without having to satisfy the TTC all the time in every decision.

I am a user of Presto every day. I use transit; I use the GO train and your system. I would say it is really quite reliable and affordable. I have a few questions on the efficiencies of Presto.

I would also say that from our premise, these special hearings on this congestion issue are a really good starting place in terms of putting some things on the

table, and yours are long-range. I looked at the Big Move some time ago when it was first announced. I think you have to have a vision; I understand that. When I think of a vision, I think of the economy where we currently are. I'm sort of entrenched in the cement that we're stuck in at the moment. It's \$5 billion a year for five years; that's basically the ask. But \$5 billion when we can't balance our budget is an important—this isn't your fault, by the way; it's Premier McGuinty's fault. I need that to be on the table. When we make these promises, you need some innovative solutions, and I get that.

I have been here 17 years, and I found that it was just impossible to drive. It was four hours a day, two hours each way, for me, and probably some part of that for Joe Dickson and others from Durham. So I looked at it—and I think you've made service improvements.

On the politics of it, though, they've promised now, for two elections, to take the GO train to Bowmanville. It's not in your capital plan anywhere. It's on some picture here, but that's not the money. I question, Durham region—I'll put this on the record too: I see Cliff Curtis here, from the region of Durham. I'm not insensitive to that, but I think there's a time lag here in taking the GO train to the north side of the 401. It's a complete waste of time. I've said this in these PICs and all this stuff; now it's my time to respond to what you've given us. All the traffic that's stuck in the Oshawa yard is from Port Hope and Cobourg and Peterborough. You should take it further east. Take it to Cobourg or Port Hope. That's where it should go. Orient all the transit north and south—the bus, the flexible transit option.

I'm not against transit. I think it's an excuse—that infrastructure, to take it across to the CP track on the north side, it's somebody's pipe dream. I have no idea who these people are dealing with, but the reality is, when they move it to the location where it's scheduled to go in Oshawa, there will be nothing but congestion. You can't get in or out of the parking lot now during bus time, even at Whitby now. That's all people moving west to catch the other train, the later train or whatever it is. I think that's important.

Now, on Presto, and your couple-of-minute response that I'll leave you: The Presto card is a fully integrated card with Ottawa and with other jurisdictional areas—and I'll tell you why. It should actually be a SIM card. When I walk by with my BlackBerry—that's how this stuff's going to work in the future. These extra cards—they're fun; I hope they're translatable into the new SIM-card-friendly solution.

I would also ask, in one part of this presentation, to acknowledge the studies that I've seen. As I've said, the commute time from where I live, according to this report, from Oshawa, is 111 minutes. We're almost last. We're near Saskatchewan in terms of the ranking in this report. I see no relief, absolutely no relief, in anything you have said today or the pictures you've shown me.

Could I have more time? Because this is impossible.

The reason I say this is because—

Interjection.

Mr. John O'Toole: No, no, lookit, it's fine. He gets all the time; he can talk all afternoon.

Here's the deal: When I took courses in geography and planning, it was called Christaller's central-place theory, about transit works where there's density. I have GO buses going by sheep farms in my riding, so that the trip is an hour. Do you understand? It's because they don't get any of the gas money unless they have transit. You need transit where there's density. I can't get to the GO train from where I live without my car, and you're planning on taking away my commuter car here, saving me \$9,000 a year. That's what you say in one of your slides: It saves the average family \$9,000 by ditching their car.

There's so much going on here. Transit is good; I use it. Transit works where there's density. Work on the density part of it, where there's three million people sharing the road and the rest of it.

All of this stuff here—there's one line in here roughly that I've seen on your part on surface transit, flexible transit, which is the roads. I don't think I've used all the time, but I'll give you a couple of minutes. You can respond if you wish. I'd like to have a direct link with you. In fact, I'd like to be on the Metrolinx board. The most important thing we can do for our economy is to get it right and try to satisfy all the people.

The Chair (Mr. David Oraziotti): Thanks, Mr. O'Toole. He's got 30 seconds, if he wants it.

Mr. John O'Toole: I'm going to give him my cell-phone number so he can call me.

The Chair (Mr. David Oraziotti): Mr. McCuaig, do you want to respond very briefly? If they want to keep talking, you're not going to have time to respond. There's about 30 seconds that you've got.

Mr. Bruce McCuaig: Very quickly, I'm glad that you're satisfied with the reliability of the system. To be clear, our plan is a 25-year plan at \$50 billion, so about \$2 billion a year. The plan that we're developing for Ottawa for Presto: It will be an integrated card. We are looking at mobile payments, which would mean that your SIM-enabled mobile device would be able to be a payment vehicle, as well as debit and credit cards.

We are looking at a variety of initiatives for Durham region, including, as you said, the GO train extension to Bowmanville, moving to more two-way, all-day service, as well as supporting the Durham bus rapid transit system.

I agree that density is key to serving a more efficient and effective transportation system. We're not asking you to give up your car; we're just suggesting that we need to give people more choices.

The Chair (Mr. David Oraziotti): Thank you very much. NDP caucus: Go ahead.

Mr. Jonah Schein: I'm going to be sharing my time with Mr. Marchese today, but Mr. McCuaig, thank you for coming in.

I represent the riding of Davenport in Toronto, and it sits right next to the air-rail link, so I've got some questions about that project. I'm very happy that Metrolinx

has supported electrification, that you've expressed your support for that. But my community really wants to know if there's a timeline for when that's going to happen. When I met with Metrolinx recently and they discussed the Pan Am Games as a deadline, they suggested that we've been trying to get electrification on GO service for almost 40 years, and that having a deadline was a really important way to actually make things happen. So that's my first question: Is there a deadline target for electrification?

Mr. Bruce McCuaig: Right. Thank you for that. The board did support the electrification of the GO Lakeshore and Georgetown corridors, which include the air-rail link, and the air-rail link was identified as the first priority for the electrification of the system. We have received endorsement from the province to launch the planning, design and environmental assessment work for that electrification of the air-rail link. We are targeting the completion of the environmental work in 2014 or thereabouts, with the earliest stage for electrification, subject to funding decisions and approval of the environmental work, in the 2017-18 horizon.

At the same time, we have been given a mandate to deliver the air-rail link for the Pan Am Games, so we're moving towards the delivery of that project for 2015.

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Mr. Jonah Schein: To follow up on that, I have some more questions about this project—just to put some urgency behind it. To me, it seems like the Pan Am Games, while really important, is perhaps a bit of a false deadline to put in place, because we know that this is going to cost more to build this rail first using diesel trains and then to go electric, and in the meantime it's going to have real health implications for folks in our community.

I have a question, though, about a couple of things. One is a question about the 1.2 million riders that you project. I'm wondering if you have a figure now on how much that service is going to cost riders. Do we know how much the fare is?

I want to ask my follow-up as well right now, which is that we've had a debate in this city about transit in Toronto and we've had huge support for electrification of this line. But we've also had support from Conservatives in the Legislature about trying to put subways in places where there's no traffic. City council in Toronto supported the idea of building the air-rail link as sort of a downtown relief line on the west end. I was wondering if you've had any time to look at that as an option and what that would mean for the city in terms of relief of congestion.

Mr. Bruce McCuaig: In terms of the cost model, the fare model for the air-rail link, we have not yet come to a determination on what the fare is going to be. We're going to be operating and opening the system in 2015, so I would anticipate we'll be finalizing the fare structure in 2014 or thereabouts.

In terms of looking at the role of the air-rail link in the broader transit system, we have to remember that, first of

all, it's sharing the corridor with GO Transit, and that GO Transit rail, which we're investing in significantly in the Georgetown corridor so that we can improve the level of service, can provide basically the transit and commuter service along that corridor, and that the air-rail link is more focused on the movement of people to and from the airport from downtown as well as the intermittent stations. So we have to look at how the overall transportation system is supposed to work together and we see the air-rail link having one function and the Georgetown GO services having a broader transit and transportation function.

Mr. Jonah Schein: I guess my concern, though, is that if we don't know the fare cost, how do we know that we're going to be able to fill those trains from the airport? If that fare is comparable to a taxi ride or sharing a taxi, then why wouldn't people just get in a taxi and get a direct route home? So I don't know how we project those numbers at this point.

Mr. Bruce McCuaig: Right. I understand the question and the comment, and we will be working very carefully to make sure that we are going to be filling those cars and we are going to be removing about 5,000 vehicles per day from our road system. Our modelling would suggest, with that objective, we're actually going to be reducing air quality emissions in the regional airshed through the air-rail link.

Mr. Rosario Marchese: Mr. McCuaig, I have a quick question—and welcome, and to you, Ms. Pfeifer.

The report is very rosy, until it gets to page 33, when we talk about finding new and innovative ways to raise dedicated and sustainable funds, because that's where your problem lies, right? In terms of what you're going to be able to do in the next 20 or 30 years, it's all about where the money's going to come from. There have been many studies by Pembina and the board of trade has raised questions. You're familiar with this field, because you've obviously checked it out across the globe in terms of what other people are doing.

What are the easiest things that you could propose right now that we should be doing? There's some other complicated stuff the government's going to be very uneasy about, but surely you must have some easy suggestions that we could start with by way of how we raise money to be able to make some of the projects that you talked about come to reality.

Mr. Bruce McCuaig: I think our first step is actually engaging with the public about what is going on in other jurisdictions, what are the kinds of projects that could be funded, what are the tools that could be used. I think it's actually premature for me to be saying X, Y and Z are the actual tools, because we actually should be taking that out to the public for a broader conversation. We're planning to do that in the fall, and that leads into the schedule that we have to deliver our advice to the province and the municipalities by June 2013.

Mr. Rosario Marchese: I see. So the only time you're going to be able to tell us the revenue tools is by 2013?

Mr. Bruce McCuaig: No. We expect, when we're out engaging with the public in the fall, that we're going to be reporting on the work that we've done, what we have learned and what we think are the potential approaches that we could apply here—

Mr. Rosario Marchese: And that's your engagement with the public in terms of the revenue tools? Is that it?

Mr. Bruce McCuaig: Absolutely.

The Chair (Mr. David Orazietti): That's time. Thanks, gentlemen.

Liberal caucus, questions? Mr. Dhillon, go ahead.

Mr. Vic Dhillon: Thank you very much, Mr. McCuaig, for your presentation. My question is about light rail transit. We know public transit reduces traffic congestion and light rail is meant to do just that. Some on the other side think that the light rail will take up a dedicated car lane and that the impact will be the exact opposite. Could you give us an accurate description as to how light rail transit works?

Mr. Bruce McCuaig: Absolutely. First of all, I think we need to distinguish between light rail transit and streetcars. I think they're very different technologies. Our experience with streetcars here in the Toronto context shows them operating basically in mixed traffic, stopped behind cars turning left and having people crossing the road to go out and board and unload from the streetcars. LRT is going to be different. It's on a dedicated right-of-way. There are signals where passengers move on and off the system. They're a higher capacity, basically double or thereabout capacity over the streetcars, in terms of the number of people they carry. The average speed is more like a subway average speed, particularly when they're fully grade-separated, but much faster than our streetcars here in the Toronto context. The reliability of the trip is much better, as well, because they're on a dedicated right-of-way.

In terms of road space, our objective is to minimize the reduction of road space for other road users. For example, on the Finch corridor—that is one of the projects—in essence, we can provide the right-of-way in the median for the LRT without having to take away any of the road space available for other road users because of the size of the right-of-way that's in that corridor.

Mr. Vic Dhillon: Now, with respect to GO Transit, there has been a considerable amount of investment made over the past couple of years. Would you know, approximately, how much the ridership has increased over the last, say, 10 or 11 years and what it means in terms of the number of cars that would be off our roads?

Mr. Bruce McCuaig: Absolutely. I mentioned in my presentation that ridership over the past five years, if I can use that figure, has grown by 21%. Over the past year, it has grown between 7% and 8%. We're finding that the GO Transit service is becoming more and more attractive to more users. A single, 12-car, bi-level rail coach for GO Transit carries up to about 2,000-odd people. That removes about 1,600 cars from our road—that single train alone. When you think about employment growth in downtown Toronto over the past genera-

tion, as it has grown, there has been no increase in carrying people by car; it has basically all been carried by the GO train and the TTC. It's a significant contribution, and it eliminates the need to be building more road space.

Mr. Vic Dhillon: Thank you.

The Chair (Mr. David Oraziotti): Thank you very much. That's time for your presentation. We appreciate you coming in today.

Mr. Bruce McCuaig: Thank you very much for your time.

REGIONAL MUNICIPALITY OF DURHAM

The Chair (Mr. David Oraziotti): Next presentation: region of Durham. Good afternoon. Welcome to the Standing Committee on General Government. As you're aware, you have 15 minutes for your presentation. There will be 10 minutes for questions from members. If you don't use any of that time, we'll simply divide the time up for questions. If you want to state your name for the purposes of our recording Hansard, and you can begin your presentation when you're ready.

Mr. Clifford Curtis: Certainly. I'm Clifford Curtis. I'm the commissioner of works for Durham region. With me is Susan Siopis. She's director of transportation and field services for Durham region.

I would like to thank you for the opportunity to come and present. We immediately accepted this invitation because it's an overwhelming problem in Durham region. This has consistently been the number one issue when we survey our ratepayers as to what their concerns are. If you follow through on the slides, we'll catch up.

Just a little bit of background on Durham region: Durham region is the largest geographic region in the GTHA. It's larger than Hamilton and Halton, in terms of population, but approximately 80% of our geographic area falls within the greenbelt. We have a current population of about 633,000. Current employment in Durham is about 225,000.

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For the 2031 growth forecast in Durham, we're expecting to have just shy of a million people and employment of about 350,000. The bottom line is that there's not going to be enough jobs in Durham for the people who live there, so people will be forced to commute out of Durham to find employment. Most of that leads people towards the western portions of the GTA.

The region's footprint does include significant and extensive environmental features such as the Oak Ridges moraine, Rouge Park, the Duffins Rouge Agricultural Preserve—all protected in the greenbelt plan. Our larger urban areas are all concentrated along Lake Ontario and they generate the majority of the travel demand for both roads and transit into the GTA.

There are some environmental issues that form serious constraints for us in putting road links through to Toronto, particularly the Rouge River park and West Duffins Creek.

The rural communities present their own challenges. As I said, 83% of the region's land base is rural but only 8% of our population lives there. There are challenges to provide services, and we have impacts on goods movement, particularly things like aggregate movement, and on road maintenance. There are impacts on small hamlets and small urban communities, particularly due to the increase in urban commuter and recreational traffic that goes through their communities.

Now, just a quick snapshot of what our current and existing conditions are for travel demand: In a typical morning during the week, there's about 200,000 trips that originate in Durham. About half of those trips are Durham residents leaving the region to go to work. About 70,000 head west to Toronto or York. GO rail does an excellent job getting people to downtown Toronto. That works great, about two thirds of the work trips there being on transit. For the areas outside of Durham, such as York region, the transit share is very low or nil; it's just hard to get where they need to go on transit, so they drive their cars.

Although Durham is the largest region geographically in the GTA, it's highly dependent on commuter routes at its western boundary. These routes are severely constrained in terms of road capacity and transit connectivity. Capacity in Durham is further reduced in that Highway 401, the collector and express lane system, abruptly terminates beyond Brock Road, and so we go from basically six lanes that we can go on down to three lanes, so there's always a bottleneck in the afternoon and in the morning. The 407 currently ends at Brock Road. The good news: The 407 will be extended—we're looking forward to that—but it still only gets us as far as Oshawa.

There's a lack of connectivity between the local transit systems—Durham region transit and York region transit—Viva—and the TTC. The integration with the GO bus services is also a problem. And that discourages the interregional use, because there's no smooth transition between the systems.

However, there are a number of good-news stories that have come forward on provincially initiated or funded projects in Durham. The 407 east, the first phase, is announced and is awarded. We expect to be driving on that in 2015. That gets us over as far as Harmony Road. By 2017, we're hoping to have phase 2(a) down to Taunton Road in the municipality of Clarington, followed by 2020, when we expect to have the highway all the way over to 35/115.

Highway 7 is currently under a widening project, and we expect that that'll be operational and open for traffic in 2013. We're currently working on Highway 2 transit priority measures. Stage 1 is under way. We've completed the environmental assessment and we're into detailed design.

The Lakeshore East GO extension EA has been completed and a commitment's been made by Metrolinx to build the rail maintenance facility in south Whitby by 2015. There have been new parking structures built to

service some of the parking constraints in Whitby, Ajax and Pickering. There's a pedestrian bridge over the 401 at Pickering to get from the plaza to the GO station.

There's also an MTO project to build the Holt Road interchange basically in Courtice, and that's to serve the refurbishment of the Ontario generating station, Darlington nuclear. As well, we hope that that will flow into the planned new build.

Just a little bit of context about Highway 401: Highway 401 is the most important commuter, goods movement and recreational corridor in the GTA. We are the eastern gateway to get into the GTA. Everything coming from Quebec comes through Highway 401. I guess there has been a lot of work done on the environmental assessment and the planning with MTO, but there are no firm commitments to actually add additional lanes through Durham at this point in time.

Similarly, with Highway 404, the extension is under way in York region, but at this time, there's no commitment to extend it into Durham. Although we're extremely happy to get Highway 407, there were a number of deferred interchanges on the expansion. That means that people spend more time on the regional roads to get to an interchange so that they can actually get on the 407.

We had a transitway that has been planned on the 407—a BRT or an LRT corridor—but it isn't currently proposed in the construction project.

We are grateful that GO will be extended to Bowmanville as part of the Big Move. It's in the 2020 plan, but again, the timing for that is unknown and uncertain.

Highway 2 BRT: we have Quick Win. We are doing work through Pickering and Ajax, but it needs to be extended through Whitby and easterly.

There's support for a transit hub carpool at Port Union Road for effective integration of the GO bus, DRT and TTC support. We'd like to be able to drive in there and drop passengers off so they can hook up to the GO, but again, the timing on that is unknown.

There are car lots coming along some of the GO-DRT interface facilities, and we look forward to that, but the EAs haven't started yet.

Last but not least, we would really like to see a GO train extension to the new community of Seaton sooner rather than later. Seaton—and we'll talk a little bit more about that on the next slide—is going to be a big deal for both Durham and the GTA.

We're planning for an ultimate population of 70,000 people in Seaton and 35,000 jobs. The province is about a 50% owner of the developable land there. We think that the forecasts are achievable with respect to the population. It'll be a bit of a stretch to get that many jobs there, but we will do our best to make sure that happens.

We did complete a study between York, Durham and Toronto to see what transportation initiatives would be required to service the Seaton community. We identified several: widening of Steeles Avenue from two to four lanes in the short term; new 407 interchanges at Whites Road and Rossland Road extension; Highway 7 widening from Donald Cousens Parkway to Brock Road, which is

currently a two-lane rural cross-section; some work on 14th Avenue extension to get rid of a jog elimination and connect it to Whitevale Road; and of course the one I mentioned previously, the Seaton GO rail extension. We think that these are required so people can actually get in and out of Seaton and make the community work.

To summarize, Durham is the eastern gateway to the GTHA. The population is growing. Employment opportunities within Durham are not growing at quite the same rate, so people will be forced to commute out to Toronto and York to find work.

We need increased east-west linkages through Durham, particularly at our boundary with Toronto and York region, for moving people and goods by car, bus, truck and train.

Improvements that will mitigate congestion in the east end of the GTHA include: the Highway 407 extension to Highway 35/115, which is in the cards and for that we're very grateful; widening of the 401 into Durham; additional lane capacity along our border with York and Toronto, particularly in the vicinity of Seaton; extension of the GO rail line to Bowmanville; and stronger linkages between Durham Region Transit, GO Transit, TTC and York Region Transit.

That concludes my presentation. I'd be glad to accept questions.

The Chair (Mr. David Oraziotti): Thank you very much for taking the time to do that.

Mr. Marchese, the NDP caucus is up first.

Mr. Rosario Marchese: Thank you, Mr. Curtis, for the presentation. I'm interested to know what it is that the region has been asking for, either of Metrolinx and/or the Ministry of Transportation or the minister in particular. I'm particularly interested in the fact that you say 79% of the trips are auto.

1450

Mr. Clifford Curtis: Yes.

Mr. Rosario Marchese: Does that concern you? Is that a big issue? How do you think the region could improve that? Is there an ask of Metrolinx and/or the Ministry of Transportation?

Mr. Clifford Curtis: Absolutely. The overarching plan is in place: GO Transit expansion so we can get people to downtown. The problem that we do have is it's difficult for people, if they're not going to downtown Toronto, to actually get there by transit. Metrolinx has a plan to strengthen the grid so that you can actually get into York by transit, but for the near future and the intermediate future, you will have to make that trip by car.

We're grateful the 407 has been extended. We'd like to see it extended as quickly as possible, right to 115. But in the meantime, a lot of the transportation is going to be by car in the short to medium term.

What we would like from the province, particularly the Ministry of Transportation, is to fast-track some of the lane additions through Durham, basically from where they terminate in Ajax right through at least to 115, so that we can keep the goods moving freely through there.

Mr. Rosario Marchese: Right. It appears to me that much of what you're asking for talks about the use of cars, really, and trucks. We see here the Highway 407 east, Highway 7 widening, Highway 2—there's a transit priority measure, whatever that says. But we're talking about mostly use of cars rather than other ways of getting people around. I understand interconnectivity is a big issue, and I really agree with that, but are we looking at other ways of connecting with them without—

Mr. Clifford Curtis: Well, we are. It's a twofold ask that we have. We are looking for extensions to GO service.

Mr. Rosario Marchese: Right, you mentioned that. I got that.

Mr. Clifford Curtis: GO is excellent at getting people downtown. If you want to go to downtown Toronto, get on the GO. It's faster. You'll get there sooner. The rest of it: Once you decide that you're going to go to, say, Unionville, it's really tough to get there.

The other thing is we have a lot of truck traffic that goes through Durham. Trucks aren't going to get on the commuter train. We'd like to get as many cars out of the way so that we can get the truck traffic through, but there are a lot of heavy vehicles that use the 401. Hopefully, they'll use the 407 once it's constructed. But you're never going to be able to get away from a robust 400-series highway system for the movement of goods.

The Chair (Mr. David Orazietti): Okay. Thank you.

Mr. Rosario Marchese: We're right out of time?

The Chair (Mr. David Orazietti): Yes, that's time for your caucus. We've got to move on.

Mr. Dhillon, go ahead.

Mr. Vic Dhillon: Thank you very much for your presentation. Ever since we brought in the gas tax program for municipalities, Durham region has received approximately \$40 million. Can you give us some examples of how the government tax program has helped Durham and how you think it will have a future impact on congestion in Durham?

Mr. Clifford Curtis: Well, the gas tax funding is split between two primary uses. One is transit; transit gets quite a bit of the gas tax funding. We've been buying more buses so we can expand our system. We're also working on bus rapid transit on Highway 2, so the buses will have priority. That's where part of the gas tax funding goes.

The rest of it, up to this date and for the next eight years, we've got directed to a somewhat controversial energy-from-waste incinerator in Durham region. After eight years, that money should be freed up. It will either be available for transit or for some road expansions within Durham itself.

We're doing a reasonably good job of keeping up with our internal road system in Durham region so that people and transit can move around fairly effectively. Where we run into problems is where we have the boundary issues with Durham and York and Durham and Toronto. Because there's a rather large valley there, we're very restricted in the number of roads that we have across that

feature, the Rouge Park and the Rouge Valley. We don't see that that will be expanded dramatically in the short term. Until those are expanded, we just can't move even buses or vehicles out of Durham. We're pretty much stuck with the existing roads. We can widen them slightly, but we're never going to have really good and robust links with the rest of the GTA, like York enjoys, like Mississauga enjoys, like the ones to the west enjoy. We're geographically constrained.

Mr. Vic Dhillon: With respect to the GO train service, we've also made considerable investments in that area and there are a lot of projects that are proposed in the region of Durham's transit plan. What do you think are some of the more higher-priority ones?

Mr. Clifford Curtis: Well, as was mentioned in the previous presentation, the GO trains are full every day going into Toronto and coming back out; they are at 110% capacity. We need a little extra capacity in the existing lines. Once that's done, then I think the next priority from us would be to get it extended easterly to Bowmanville so that more people can have access to the GO station and the GO train. Still, most of the flow out of Durham does end up in downtown Toronto.

Mr. Vic Dhillon: Thank you.

The Chair (Mr. David Orazietti): Conservative caucus: Mr. O'Toole, go ahead.

Mr. John O'Toole: Yes, thank you very much for an excellent presentation from Durham region—very comprehensive and very much appreciated. I really do believe the effect of being here and being anxious—it fills in the blank; you say it's an overwhelming problem in Durham. I kind of agree. In the last 15 years—I think I said the regional chair said something that we're kind of ignored in Toronto. It's a statement I read in the paper recently. I'll leave it at that.

I want to concentrate on a couple of things. The first one is to acknowledge the litany of broken promises by the McGuinty government, quite honestly. I don't mean—I know Joe is here and I don't blame Joe entirely for it. But here's the deal: They had promised the 407 for about the last three elections. Now, fool me once—you've heard that one. Well, it's unforgivable. You were very polite, and I understand that, that you're cap in hand, saying, "Thank you." This is wrong. It's a government with no vision for Ontario. This is about the jobs in the economy that are leaving Durham or not coming to Durham because of the—

Interjection.

Mr. John O'Toole: Just a moment, Vic. I didn't interrupt you. You've got your job and you've read the notes very properly.

But my point being, this is a burden and you're—now, I'm duty bound to say that Clarington filed a report by engineers, like yourself, saying that it was going to cost \$80 million. I think it was Oshawa that put a price tag of \$31 million. In everybody—I see Mr. Dickson's picture in the paper with Tracy MacCharles. We weren't even notified that the Premier was there to make these announcements. Then the media asked me what did I

think of that great news, that he dropped a cheque for \$83 million on the table.

To me, about the 407—I'm going to give this to you: As far as I know, there was nobody who wanted to operate the 407 east. In fact, I have a copy of the report, which if I have time—I could ask for more time. But there was a report issued in 2010 by the TAO group that said there was no need of the 407 east of Oshawa. They filed that report in 2010. Now, we know that they cancelled it and they were going to go to Simcoe Street. It just shows how much they know about Durham. Simcoe Street does not go to the 401 eastbound. You can't get there from there. There is no eastbound exit onto the 401. You have to go back on to some back side street. This is the truth. Now they've said Harmony Road, because they've realized they made a mistake. Now they say Harmony Road. You can't get a twin pup trailer onto the 401 eastbound. All the vehicles, all the traffic, are going eastbound. If they were not going eastbound, they would have already got off at Lakeridge. Do you follow me?

Mr. Clifford Curtis: I follow.

Mr. John O'Toole: And it's just completely—they have not even been there. I'm putting it on the record today. I challenge them that Harmony—you go up over the 401 and then there's a very short turning radius, and this was reported to me by a very reputable transportation company, and there's no merge lane to get onto the 401. It's shameful, because all the traffic going is going to be commercial.

The reason the province is going to operate—well, they're going to contract it. They're going to pay them a flat fee. We're going to be back paying for policing, maintenance, repairs, all that stuff. It's tragic.

Why did they promise it?

Interjections.

Mr. John O'Toole: Listen to me. If they promised it and didn't know about these obstacles, that's—if they promised it and didn't know about them, they're incompetent. Do you understand? You've got it all mapped out here in a very credible way.

1500

Now, I really feel that the other one is Holt Road. My view, humbly—you know I'm going to be humble here: Holt Road should have been the link road because that's where all the commercial value for Durham region is going to come—and eventually, St Marys Cement will be the largest harbour in the GTA. We know that. That's where all the ships and containers will come in, and they'll deconsolidate. It should be a transit terminal. That's where the link should be. Not only that, in Durham region, unlike the rest of the regions, we're going to be tolled on the links from 401—anyone who wants to get off, there's tolling. All the other ones, it's integrated into the transit in York region. The Holt Road improvement is good—but they're doing an interchange study right now in Durham. I'm sure you know that. They haven't even acknowledged that Lambs Road—and I've written to the minister on this—they wouldn't even know where Lambs Road was. There's a public meeting tonight on—anyway, I'll let you respond.

Mr. Clifford Curtis: Well, there are a number of issues I can't respond to, but I will respond—

The Chair (Mr. David Oraziotti): Excuse me, sorry. You've got 30 seconds—

Interjections.

The Chair (Mr. David Oraziotti): That's the time.

Go ahead, sir. You can respond.

Mr. Clifford Curtis: Generally, we look forward to the extension of 407 to Harmony. It will have an impact on the region. But it is important to continue on with the next phases as quickly as possible so we do get the linkages down to the 401.

The Chair (Mr. David Oraziotti): Thank you. We appreciate you coming in today.

REGIONAL MUNICIPALITY OF YORK

The Chair (Mr. David Oraziotti): Our next presentation: York region. Good afternoon, folks. Welcome to the Standing Committee on General Government. You've got, as you're aware, 15 minutes for your presentation and 10 minutes for questions among members. Just simply state your name for the purposes of our recording Hansard—or anybody who will be speaking for the presentation.

Mr. Bruce Macgregor: Thank you, Mr. Chair. My name is Bruce Macgregor. I'm the chief administrative officer for the region of York. I'm joined today by Ms. Lina Bigioni, who is the director of government relations and the executive assistant to our chairman, Bill Fisch. Mr. Fisch regrets not being able to be here himself due to a family commitment. As I work through this presentation, you'll see that his passion and our council's passion for transportation and transit improvements is rooted in the wishes of our residents and their constituency.

I'll be referring today to materials that are in your portfolio. I'll be going through this presentation deck. I've also added to your portfolio, right under the presentation, a recent report our council received in 2011 on alternative sources of funding for transportation infrastructure. That report makes reference to some good work done by the Toronto Board of Trade and the Toronto City Summit Alliance, which is also attached for your ease of reference.

Referring you to slide 2, my presentation today is intended to give you a bit of an overview of York region, the current state of traffic congestion in York region, some of the initiatives that we've been undertaking over the last decade and more to address that traffic congestion—and also leave with some solutions relative to the overall challenge of providing all of the services that are really necessary at this point to take on what our residents feel is their greatest concern.

Just moving to slide 3, to provide some perspective on York region: You've heard, of course, from our neighbours in Durham region, a region that we work in partnership with on many infrastructure initiatives. We are located immediately north of the city of Toronto.

Like Durham region, a fair amount of our land—in fact, about 70% of our land—is covered by the greenbelt and the Oak Ridges moraine, preserved for natural purposes. Notwithstanding that, our share of growth, both population and employment, in the growth plan that was completed in 2006 is among the highest in the growth plan. We have been preparing for that inevitability with the delivery of infrastructure in all areas but in particular in transportation. Since 2001, in just over 10 years, our population has grown by 42%, with corresponding employment growth of over 34%.

We are fortunate to have a diverse economy and to be also growing in one of the areas that's critical to overcoming transportation gridlock, and that is resolving the relationship between live and work and making those two things come together in closer proximity.

Referring now to slide 4, just an overview of York region, some of our larger urban municipalities, Markham, Vaughan, Richmond Hill, Aurora and Newmarket, but also with the predominantly rural municipalities of King, Whitchurch-Stouffville, East Gwillimbury and Georgina, extending from Steeles Avenue on the north limit of the city of Toronto right up to Lake Simcoe.

A few stats there, the most relevant of which on that slide are to do with our investment over the last 10 years in transit. It's not an investment that we've relied on strictly with assistance from the province of Ontario, although we are very grateful for that, but also with, in some elements, some funding from the federal government and a commitment by our regional government as well. You can see that in capital costs the numbers are sizable, in the hundreds of millions of dollars; as well, we deal with an operating budget of over a billion dollars for the transit services that we provide in York region. Clearly, York is a growing and important part of the overall GTA economy.

Slide 5 is an illustration for you of the last five years of polling. Annually, we go to our residents in a statistically relevant poll and query them on a number of issues. In particular, we always include a question calling out the most important local issue, and you can see, with a little bit of a change, a fluctuation—the economic downturn of 2008—consistently our residents rank transportation as the foremost concern over a number of others that I'm sure you're aware of and hear from your constituency on as well. Clearly, one in three York region residents recognizes the frustrations and the effects on their personal lives of transportation challenges and gridlock; namely, in that effort of getting between their home and their workplace.

Moving to slide 6 as I flip from that one, this is an important slide and I'll ask you to try and remember the scale of the vehicles here. York region is a vehicle-centric community, like many in the GTA. Our numbers are, and have traditionally been, a little higher in terms of overall car ownership. The rate of car ownership in the region of York is about 1.8, on average, per household, versus a GTA average of 1.4. I think, as I move through this presentation and you see some of the limitations of

public transportation that we've been faced with up until this last decade, you'll realize how we've grown to become that car-dependent.

You can see that a fair portion of automotive travel is across that north-south boundary, or across that east-west boundary, with the traffic moving north-south into and out of Toronto, clearly 1.3 million vehicles a day. You can see as well, though, the graphic describing about 400,000 cars moving east and west. I should describe this in a little better detail. This graphic portrays what is called by transportation engineers cordon counts. It's the total traffic across that imaginary boundary—in this case not such an imaginary boundary. The cordon is the Toronto boundary between Toronto and York region. That's our heaviest travelled corridor, with over 1.3 million trips. The little arrows to the side indicate the percentage growth over that same period between 2001 and 2011. You can see there is significant growth—about 10% to 15%—on the Toronto-York boundary, but also substantial growth, in particular I note, as my colleague from Durham region was saying just a few minutes ago, on the Durham boundary.

On the subsequent slide, again, an effort to illustrate the dependence, still, on automobile as a primary source of travel and one that we are trying desperately, with land-use decisions and transportation decisions, to overcome.

1510

As I flip you to the next slide entitled “Surrounding provincial highways are experiencing an increase in travel,” this is a graphic simply to illustrate the amount of traffic on the highway. You can see Highway 400 running north/south on the west side of York region and Highway 404 also running north/south, only running to Newmarket now and under construction to be advanced up to the town of Georgina. More significantly, on our southern boundary is Highway 407, the toll highway that I know many of you are familiar with, and people certainly pay for that privilege. The numbers on those arrows are to illustrate the amount of traffic on those highways and the percentage of that traffic having either an origin or destination in York region, so there's no question that the provincial highway system is very critical to our continued success.

Likewise, the next graphic, which looks similar but portrays GO train service, I draw your attention to. We've included in your portfolio, on the left-hand side, a larger graphic if you need to see this up closer. This graphic is an attempt to illustrate the level of GO train service. If you look at the Lakeshore line, the thickness of that line portrays fairly significant service, accommodating almost 46,000 rides out to the east and some 55,000 to the west, to the Oakville, Burlington and Mississauga communities.

You'll see, relatively speaking, that the lines that extend to the north for GO services aren't quite as robust in level of service. You'll see it in the arrows; those arrows depict the number of trains operating daily. For example, on the Lakeshore line extending out into

Durham region, you'll see 34 trains inbound in the morning, 31 trains on the way out—actually, that's all-day service. You'll notice that the service up to York region communities is somewhat constrained—five trains, typically; four or five trains southbound in each of those three lines in the morning and about the same amount heading back in the p.m.

We struggle on those lines, of course, with the limitations of railway ownership and the frustration of chicken and egg—having the ridership to increase the service, but the ridership, of course, demanding increased service. I think if you can recall back to the slide with the number of car trips, many would say the opportunity is certainly there.

I move you now to an important project for us on the next slide, entitled “An effective transit must integrate; Yonge subway extension vital.” This is a graphic that identifies—you can see the underlying green GO rail network. You can also see a blue network on that map which extends east/west across Highway 7, north/south across Yonge St. and, up on Davis Drive in Newmarket, again east/west. That's our bus rapid transit system. It's the system that our council has pursued to provide rapid transit within our communities. You can see the integration of all of our communities in that respect and, as well, the focus of service on intensification corridors of Highway 7 and Yonge St. We're seeing now the tradition of maximum 20-storey heights give way to 30 storeys and more as those areas begin to intensify and provide mixed use, in many cases, of not only residential condominiums but office spaces as well—a further commitment to a lasting legacy in the investment in transit.

I've provided a slide on slide 11 which gives this committee some context of the various forms of rapid transit that you'll hear from as deputants speak to you. This is a complicated slide, but just to orient you to it: on the vertical axis, the bottom is an arterial lane, an HOV lane, and moving up through an arterial lane, expressway lanes, giving you some indication of capacity on the horizontal axis. You can see that a typical lane is in the 1,000 to 2,000 persons per hour capacity. As you move up in the form of transit, a bus in mixed traffic, for example, that bar extends from approximately just under 1,000 all the way up to 3,000 to 4,000 persons per hour. The star in the figure illustrates the best-recorded practice in the North American marketplace.

As I move you up just above that bus in mixed traffic—which was how we rolled out our BRT service in a staged implementation. Viva phase 2 is BRT. If you could do me a favour and write “BRT” beside that, that row would apply to virtually any BRT service. You can see that a well-designed bus rapid transit system is capable of moving 10,000 persons an hour. You can see as well that the best practice in North America is at the peak end of that range. If you move up a little bit, you can see streetcars are a little less effective because they have the challenge of operating in mixed traffic. GO rail is very effective; heavy rail, commuter-based rail and dedicated rights-of-way, up to 20,000 persons per hour.

Light rail is something less than that. What's interesting about light rail is you'll see that, while it has the potential to go up to about 18,000 persons per hour, the actual best measured experience in North America is quite consistent with the best measured experience in bus rapid transit systems. Subway, of course, is the prime mover of people in urban areas. You can see that the potential for subways exceeds what's shown on this scale of 30,000.

I want to draw your attention as well to the column on the right-hand side of this graph, which reflects the costs. You can see that bus rapid transit comes in at an approximate cost of \$21 million per kilometre as opposed to an LRT system of twice that amount, at \$54 million, and of course a subway at considerably more but, again, with considerably more capacity. That information is vital because our council has made conscious decisions to spend not only their money but provincial money and federal money wisely and not to over-commit to levels of transit that won't be needed for decades to come. That speaks to the commitment to BRT.

I want, on slide 12, to certainly give some credit to a very successful partnership between the province and York region—challenged, of course, as we grow incrementally and as we get and develop the governance mechanisms to get things under way. We've been under construction with the Spadina subway for some time now, aiming towards a 2015 completion and a large \$2.6-billion extension of the Yonge-University subway line, in partnership with the city of Toronto, the TTC, the province of Ontario and the government of Canada. Metrolinx is the major funding partner for our rapid transit expansion; that's taking our fleet of bus rapid transit vehicles, putting them on a dedicated corridor on Highway 7 and Yonge Street and delivering on the promise of rapid transit to York region residents.

Slide 13 takes you to what we see as the keys to unlocking traffic congestion and the revenue tools that in particular will keep us going. Our biggest frustration is finding the revenue sources to build what's necessary and also to operate and maintain what's necessary. Currently, our transit system relies on about 63 cents out of every dollar coming from the property taxpayer in York region. We recover only about 37 cents—a necessary part of growth; a far cry from what the TTC is able to accomplish, with numbers closer to 70% or 80% recovery from the fare box.

The Chair (Mr. David Oraziotti): Excuse me. That's about your time, 15 minutes, so I need you to wrap it up if you want to make a few closing remarks. Then we get some time for questions, and you can elaborate on that.

Mr. Bruce Macgregor: I will.

You can see our emphasis on slide 13 is one of revenue sources.

On slide 14, I offer some suggestions with respect to the Metrolinx investment strategy that you heard about earlier today, something that is desperately needed to get on with the issue of funding this service. The notion, we contend, of “everybody pays, everybody benefits” is one to keep in mind—a number of sources I won't get into the details of.

The Yonge subway, for us, is a critical project. It's going to be what we've referred to as the missing link. Some 700 buses will be on that section of Yonge Street once our rapid transit is in place, making that awkward connection to the subway.

You can see, in closing, Mr. Chair, on slide 15, all of the impacts that you're intending to address through this committee. I'd just draw your attention to that picture. It's not intended to mean that if we put a bus on the street, we'll take all those cars off. However, it does mean that those cars in that picture illustrate the number of people who could be sitting on that Viva bus.

The Chair (Mr. David Oraziotti): Thank you. The Liberal caucus is up first. Questions? Mr. Sergio, go ahead.

Mr. Mario Sergio: Thank you for coming; a wonderful presentation. Good to see you again, Ms. Bigioni, from the wonderful region of York.

I had to stop at slide 12, an interesting slide here. What brings me there is the fact that you have already expanded Viva, the rapid transit. You have now the Spadina subway. You have an expanded GO service throughout the region. Of course, on top of that you have, if not the fastest, one of the very fast-growing municipalities, residually and otherwise. I can see the money that has been allocated here with respect to rapid transit and the Spadina subway. On top of that, if you can tell us what does this do to the municipal region of York there. But also, you have Highway 400, which cuts right in the middle, with 404 and a bit of the 407. We're told the expansion is supposed to come in the next few years. York region, I think, is one of the first that—how do you see the investments that have been provided assisting you, York region, with traffic and congestion?

1520

Mr. Bruce Macgregor: The investment to date is a welcome relief to a somewhat disregarded element of growth. We're fortunate. We don't plan for growth, as I remind some constituents who call us; we actually have to react to it. Planning for it makes us better in reacting to it. We are fortunate, in the Toronto area, to be growing at the rate we are. The necessity is for all services at the same time. There isn't one win here. I wouldn't pick highways over transit. I wouldn't pick GO rail over local rapid transit. We need everything, and we need, more importantly, those intermodal opportunities where our transit connects with GO and gives people opportunities to jump off that radial inclination that takes you to the heart of Toronto and then have to ride north—opportunities to connect, as we will shortly on the Spadina line at the Sheppard subway, as we can with the resolution of the Yonge extension at the Richmond Hill link and terminal at Highway 7. There are a number of those opportunities around the GTA that we really have to capture.

Mr. Mario Sergio: Is the region contemplating further expansion of the York-Spadina subway into the region?

Mr. Bruce Macgregor: Not at the present time. I can tell you that as we plan those extensions, we always think

in the longer term of where they might go, but it's not currently on the map. The only reason for that would be the huge priorities elsewhere. This extension now takes the terminus from Downsview up to York University, three stops, and then another three stops into York region. A vital and necessary expansion will provide the catalyst for the Vaughan urban centre north of the university and as well, of course, serve the university. If you were to visit York University in the area they call the commons in the centre of the university, it looks more like a very aggressive bus terminal than it does a commons.

The Chair (Mr. David Oraziotti): Thank you. That's time for questions.

Conservative caucus. Mr. Smith, go ahead.

Mr. Todd Smith: Thank you very much, Mr. Macgregor, for coming in today and telling us all about York region and the traffic problems that do exist there. I was not surprised that the government member stopped at slide 13; there are 14 others that very capably display the problems that exist in transportation in York region. The one that struck me was slide 5 and the fact that over 30% of people in York region find this the number one issue. You can look at many areas outside of the GTA where health care and education and debt and deficit and these types of problems that exist are the biggest concerns. But obviously, it's a huge problem in the GTA. I think it's one that we needed to have this meeting today and Wednesday to discuss, because it's something that needs to be addressed. I noticed that despite the fact that this government has been in power for nine years now, things aren't getting better when it comes to the fastest-growing area of the GTA, when it comes to—at least not the public opinion that things are getting better in York region. This Environics poll is quite telling about the unpredictability of transportation in and out of York region on a daily basis. I have some stats here from the MTO talking about the speeds that people are travelling down the 404—26 kilometres per hour is the average speed down the 404 to the Don Valley Parkway. There are just no other alternatives, or very few other alternatives.

Maybe, if you could, just tell me a little bit about the Metrolinx plan that was explained earlier. Do you think that will be the solution to improving things in York? It doesn't appear that there is a whole lot of extra runs added for York region.

Mr. Bruce Macgregor: I think the Metrolinx plan is vital to York region's continued success and growth. We are in the course of connecting our communities. Our official plan is like many: It has centres, hubs and corridors. Those are the areas where intensification is planned. That's where the rapid transit services are heading to as we speak and where the funding is committed to right now. In the longer term, we do require better connections on GO. We do require continued commitments to highways and continued service commitments in all transit modes.

Mr. Todd Smith: Do I have time?

The Chair (Mr. David Oraziotti): Briefly.

Mr. Todd Smith: Subway: You mentioned it earlier. Do we need more subway into York region?

Mr. Bruce Macgregor: I probably couldn't get the words "Yonge subway" out enough for the purposes of the recordings of this committee. It is vital and it will be increasingly vital in the next five years as we complete the other transit imperatives. It will be noticeably missing. I mentioned 700 buses plying that Yonge Street corridor. It'll be hard to get a car through there, actually, in the event that we don't get the subway in place. It is the cash cow of the TTC, as we all know.

The Chair (Mr. David Oraziotti): Mr. Schein, go ahead.

Mr. Jonah Schein: Thank you, Mr. Macgregor, for coming in. I had some questions about funding. Obviously, folks are having struggles with funding our transit systems across the province, but a few things have made it worse. I wanted to hear from you about the challenges you're facing. Specifically, how has the decline in provincial operating funding impacted transit in York region?

Mr. Bruce Macgregor: I wouldn't say "the decline in provincial operating funding"—I would say that the province has struggled, as most governments do, with the scarcity of resourcing and trying to deal with health care, education, and of course also with the imperative that our residents see in transportation.

We are greatly relieved to have the gas tax and to have some permanency to gas tax revenues. We think, though, there's a need for more. One of the challenges you face when you start planning for this kind of rapid transit is looking around the world, and nowhere in the world can they afford the levels of service that are necessary with simple reliance on property tax.

Mr. Jonah Schein: Can you speak specifically to how big that gap is in operating your transit system, in terms of funding?

Mr. Bruce Macgregor: I think it's reasonable, in the context of York region, to expect a recovery from fares of 40% to 50%. I mentioned earlier that we're at about 37%, 38% right now as we grow. We're now building the kind of community that will be transit-dependent, and we expect to get to that in the next 10, 20 years.

Mr. Jonah Schein: The implications of the cancellation of the bus replacement program—have you seen an impact on your fleet of buses?

Mr. Bruce Macgregor: It's hard to put an impact to that one. It was a short-lived program. As you probably know, it was in existence for a couple of years. So we fall back, again, on the gas tax, which is an important and permanent source of revenue.

I think as you get into the details of the Metrolinx funding strategy, we'll need to see something. I understand the reservation with imposing taxes. I think that authority needs to be in the hands of municipalities who desperately need alternative sources of funding.

Mr. Jonah Schein: Lastly, do you have any concerns or projections around extending the Yonge line? How do you see capacity on that line with making it longer?

Mr. Bruce Macgregor: I think the capacity issue is one that's being dealt with in the right order. The Spadina subway extension cuts off some of the transit—Brampton, for example, delivered riders to the Finch subway.

By the way, the Yonge subway ends at the Finch terminal. It's been that way since 1973. It's hard to imagine, in a growing area like Toronto, to have a subway terminus that has been there that long at that location.

The advantage of getting the Spadina line, getting some of the traffic off on the Spadina line, and the further advantage of extending the Yonge line up to Richmond Hill, provides an opportunity for riders to choose, because GO comes together at Richmond Hill. There's an opportunity for riders who are destined for Union Station to jump on the GO train, with a normal fare system on both sides, and for those who are going to, for example, employment centres in uptown Toronto to jump on the subway. I think it's a win-win.

The Chair (Mr. David Oraziotti): It's time. We appreciate your presentation. Thanks for coming in today.

MINISTRY OF TRANSPORTATION

The Chair (Mr. David Oraziotti): Our next presentation, folks, is the Ministry of Transportation. Good afternoon. Welcome to the Standing Committee on General Government. As you're aware, you have 20 minutes for your presentation, and we have allotted 30 minutes for questions for your presentation. So whoever will be speaking, just simply state your name for the purposes of Hansard, and you can start your presentation when you're ready.

Ms. Carol Layton: Thank you, Chair. I appreciate the time, and I appreciate the opportunity.

I'd like to introduce some of my colleagues that I have from the Ministry of Transportation. I have Andrew Posluns on my left, who is our director for our transit policy branch; I have Gerry Chaput, who is the assistant deputy minister with our provincial highways management; and I've got Rob Fleming, who is our assistant deputy minister for road use and safety. The reason that I've got transit, highways and road use and safety represented with me here is just to show that—the purpose of this committee is to look at traffic congestion. I want to illustrate in the presentation that all aspects of the Ministry of Transportation serve a purpose in actually supporting relieving congestion on our highways and in our cities.

First of all, thank you for the invitation. I have about 21 pages in this presentation, and I'm going to focus on three areas: really quickly touching down on the mandate of the ministry and what we do and how we do it; secondly, the challenges that we all face in addressing traffic congestion; and third, how MTO is dealing with it, both now and into the future.

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On slide 3, I start by certainly recognizing or outlining the importance of an efficient, reliable transportation

network—the full network—to our economy and our quality of life. Our transportation networks certainly help Ontario to work and they also help Ontarians to get to work. We know that transportation touches every person, every business every day, and all economic sectors rely on transportation as an input to production, to deliver goods and services to customers, and to move people efficiently for work and for other trips.

Our roads and highways connect small and large communities, businesses to markets, enable the movement of resources from remote areas to areas where they can be processed and also where they can be used by the wider economy. Our transportation networks have to be maintained and they have to be built upon thoughtfully and, most importantly, sustainably for all of us today as well as for future generations.

On slide 4, I talk about the mandate of the Ministry of Transportation. Our mandate is certainly to manage and maintain the province's transportation system, support our economic competitiveness by planning for and investing in critical transportation infrastructure, and build on our record as a leader in road safety, which is something I'm going to talk about at the end of this presentation. Therefore, we have responsibility for building and continuing to maintain the 16,600 kilometres of highway network that we have in the province; over 2,700 provincial bridges, overseeing—and you heard earlier from Bruce McCuaig, the agency Metrolinx with the great work that it's doing; and also implementing, I would say, aggressive safety legislation as it relates to roads and road users; licensing 9.2 million drivers in the province of Ontario and registering 11.4 million vehicles. Of course, we also work with our municipal partners to fund public transit systems across the province.

What slide 5, then, does is to certainly articulate our vision, as well as our five priorities that I'm going to take you through fairly quickly. Our vision is to be a world leader in moving people and goods safely, efficiently and sustainably, and to support a globally competitive economy and a high quality of life. Our priorities are working to increase transit ridership; promote a multimodal transportation network; improve the provincial highway, bridge and border infrastructure; integrate the principle of sustainability into our policies and into our operations; and also promote road safety. Today I'm going to speak about each of these particular areas.

I would first, though, like to just touch down on the cost of congestion. There's economic cost, as we all appreciate—this is on slide 6—due to lost productivity, increased transportation costs, which also gets translated into higher prices. We appreciate also that there are social costs, as people spend more time sitting in traffic. I've heard a lot about that as I listened to some of the earlier presentations.

There are environmental costs, as well. We know that about 30% of greenhouse gas emissions come from transportation sources. In recent years, there have been a number of studies that have attempted to calculate the financial cost of congestion. I know that one of the

references that Bruce McCuaig used earlier was the reference to about \$6 billion annually in terms of, in a sense, a lost cost of the economy to congestion.

On page 7, then, we also identify some of the challenges that we have in tackling congestion in our urban centres, and that certainly is about every year 100,000 people moving into the Toronto region. By 2031, the greater Toronto and Hamilton area is expected to grow by about 50%—certainly one of the faster growing urban areas in North America. Ottawa, by 2021, is projected to be the centre of a metropolitan region of 1.6 million people. We also appreciate that automobiles historically have been the predominant mode of transportation for commuters in our cities but that expanding highways through urban areas isn't always feasible or desirable. Therefore, building the infrastructure necessary to address congestion will require sustained investments in projects. We also appreciate that those projects take many years to complete.

Integrating various public transit systems so that commuters can move seamlessly and conveniently across municipal boundaries requires strong partnerships and effective planning. We appreciate that to get people out of those automobiles and on to transit they have to feel that they've got a system that's reliable, a system that is easy for them and certainly one that is effective and meets their needs.

To address the five priorities that I've talked about, first of all, one, taking action to reduce congestion: We are working to increase transit ridership through the various programs that Bruce has talked about and others have referenced here. That does mean providing efficient and convenient public transit options so people will choose to leave their car at home. We're promoting an extensive multimodal transportation network that will provide businesses with more flexibility in how they transport goods as well.

Over on slide 9, you can see that part of our strategy is to provide good public transit, and this strategy is working. Ontario has made investments in transit, and there are now 132 million more passenger trips taken on municipal transit than just nine years ago. This translates into 110 million fewer car trips on our roads. The chart on the right of that slide on page nine highlights the large volumes that our transit systems are handling each year: as you can appreciate, hundreds of millions of rides.

On slide 10, we also know that to make transit convenient and attractive, we must improve the integration of neighbouring systems to provide a seamless trip for riders across municipal boundaries. You heard about a lot of this in the first presentation today, and that is the fact that the province created Metrolinx to coordinate regional transit planning and to ensure that we're all working together to build efficient and effective public transit systems. As you also saw in the presentation done by CEO Bruce McCuaig, the agency has certainly been very active. They developed the comprehensive regional transportation plan for the GTHA called the Big Move, which is the transit road map for the foreseeable future.

They're also focusing on customer service improvements, and Metrolinx is implementing the Presto fare card in the GTHA as well as in Ottawa to allow transit riders to travel seamlessly between different regional transit systems.

Now I'd move you over to page 11. I think, because you've listened to Durham, and you've listened also to York region and also to Metrolinx, you've heard about some of these different projects, but I'll reference a few others as well. In Ottawa, up to \$600 million is committed to light rail transit, the largest single transit infrastructure investment in the history of the city. In Waterloo region, the province has committed \$300 million for their rapid transit system. Earlier, Bruce talked about the various Toronto projects for the GTHA. You've heard about bus rapid transit with Bruce Macgregor recently. He also spoke about the overall \$2.6-billion extension of the Toronto-York Spadina subway into York region, the province's commitment of about \$870 million of that. You also heard about the air-rail link; that will connect Pearson Airport with Union Station which, I think you also heard, is the busiest transportation hub in the country.

Of course, we appreciate that there are other partners in the funding of that initiative, Union Station, with the city of Toronto and the federal government being a vital funder of that. If you have been down to Union Station recently—and it looks as though some people have—it's one heck of a construction site, but the vision of that will be fantastic when it's done in about three or four years or so.

The second priority after transit ridership is to promote a multimodal network, and MTO is actively promoting a multimodal transportation network that will support the efficient movement of people and goods. A network gives businesses the flexibility to choose among many different modes of transportation, whether that is air, rail, truck or marine. Currently, we're working with the government and private sector partners to develop an Ontario goods movement strategy which will allow us to maximize the efficiency of all of our transportation modes. Our goods movement strategy will build upon the success, for example, of the long combination vehicle program, which has shifted some freight movements away from rush hour and enables more goods to be carried per truck.

It's fair to say, though—on slide 13—that you need a blueprint to work from. In the greater Golden Horseshoe area, the blueprint that the Ministry of Transportation as well as Metrolinx has been guided by has been that growth plan for the greater Golden Horseshoe introduced in around 2006 which developed a pretty impressive plan for compact urban form and built boundaries. But in it also are just those principles that should guide us around maximizing the investments that we do as we continue to meet the needs of growing population centres.

We also, though, are looking at longer-term corridor studies—and I've got two other referenced on this particular page, on 13—that allow us to best facilitate the

efficient movement of people and goods through the Halton, Hamilton and Niagara areas.

I've talked about transit ridership, and I've talked about multimodal. The third one I'd like to talk about is the highway, bridge and border infrastructure. I talked about 16,600 kilometres of highways that we're maintaining in the province of Ontario and over 2,700 bridges. We can appreciate the importance of our highway and bridge network to make sure that we do have an efficient system that is vital to the prosperity of the economy and helps ensure that our quality of life is sustained. But we also appreciate that much of our infrastructure is over 50 years old, and therefore we are putting a great deal of effort into the rehabilitation of the highway and bridge network. The need for highway expansion to accommodate population growth and keep freight moving efficiently is also significant.

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At MTO, we use our southern and northern highway programs to set strategic directions, which are updated every year, and actually to ensure that the investments have the greatest impact in terms of highway condition and improved connectivity, taking that fiscal context into consideration as well. Projects are chosen using an asset management approach that ensures the right investment is made in the right place at the right time.

This year, the ministry is investing \$2.4 billion in highway and bridge construction across the province, and you've heard certainly about the 407 east extension. Other ones included widenings of Highway 401, Highway 417 and also the Windsor-Essex Parkway, which leads us to the busiest border crossing in the country.

Also, MTO is investing in the near north and northern Ontario as well, with the vital links between rural areas and trade corridors and population centres with Highways 11, 17 and 69 that I show on slide 15.

I wouldn't want to leave this presentation without touching on the fact that we bring a lot of innovation into how we deliver on transportation infrastructure. That too can have an impact on congestion. A really good example is the rapid bridge replacement technology that the ministry has used three times now in Ottawa, once on the Aberdeen Bridge around the St. Catharines area. We're going to be doing another one on the 401 this summer, where rather than taking two or three years to replace a major bridge, and the congestion that therefore brings with it, with reduced lanes available for traffic, with the technology of rapid bridge replacement, we're able to do it overnight. In fact, the Carling Avenue bridge replacement that we did over the long weekend at the end of July this past summer was replaced in just 15 and a half hours and had a significant impact certainly to the local economy in terms of the delays to traffic just overnight as opposed to over a few years. We're looking forward to doing one this fall, where the entire ramp off the east-bound 401, which forms a bridge over Bridgeland Avenue in the Yorkdale area, will be replaced. We'll probably have bleachers up for people who want to come and watch, because we usually have a crowd for these overnight replacements.

Number four is about increasing sustainability and mitigating congestion. I think what's important here is the fact that our efforts to enhance sustainability and reduce those harmful GHG emissions complement our efforts, also, to reduce traffic congestion. We've amended the Public Vehicles Act to encourage more carpooling. We're promoting active transportation as an alternative to driving, such as walking and cycling, and we've built expanded high-occupancy vehicle lanes to encourage more passengers per vehicle.

We also reference on slide 17 encouraging the greater use of electric passenger vehicles. More recently, we're working with Infrastructure Ontario to also support the people's adoption of these cars or purchase of these electric vehicles and plug-in hybrid vehicles through an initiative that will provide charging infrastructure around the urban areas so that people don't have that anxiety of leaving their house with that electric vehicle and wondering if it's going to have enough electricity for them to make their way back.

On the final few pages, I really want to make sure that we also focus in on safe roads and what that also means. Road safety may not be the first thing that comes to mind when you think about congestion, but reducing collisions on our roads also does mean fewer delays. As you can see on slide 18, Ontario's road-fatality rate is now the lowest ever recorded right now, certainly in Ontario. For the last decade or so, we have been either the first or second for the lowest in North America. In fact, at the top of the slide as well, we are currently number 3 in the world in terms of having the lowest fatality rate for 10,000 licensed drivers.

The complementary page is on page 19, where you can see the many different policies and legislation and regulations that have come into effect over the years, at the same time that we've had a growing population of people driving vehicles. On slide 4, I reference that Ontario has 9.2 million drivers, and yet you can see, even with that growing population of people who are in vehicles and driving cars, that we've had a decline in our fatality rate.

This particular chart also is powerful in that it actually shows you the point at which some of our significant legislation has come into effect: more recently, speed limiters for large trucks; warn range sanctions for blood-alcohol content; the ban on hand-held devices; earlier than that, street-racing legislation; one person, one seat belt. They go backwards in terms of the different policies we've done. We'd be happy to take you through any of that.

I think it's also fair to say that although we've had the best year ever, and that's based on 2009 results, at 564 fatalities—one fatality is too many. Ontario did have 564 in 2009, when this was recorded. In the coming years, we're going to continue to focus on combatting aggressive, distracted and dangerous driving; continuing the fight against impaired driving; and also applying rigorous standards to commercial carriers, including conducting safety blitzes.

As I head towards my final slide, on page 21, just to conclude: Easing congestion requires a number of solutions and many, many partners to work together. We have to get people out of cars and onto transit and also onto other modes. We need to strategically expand our highway network and keep it well maintained. We must ensure that the business community has choices that work best for them. We need to ensure that our system is safe and sustainable.

Our success is critical to our economy and to our environment and also to our quality of life. I guess you could call that the triple bottom line that certainly guides a lot of the work at the Ministry of Transportation.

I would like to thank all of you for inviting MTO here today. We welcome any questions that you may have.

The Acting Chair (Mr. Joe Dickson): Thank you very much. We'll now turn the questioning over to the PCs. You have 10 minutes. Yes, you can speak, John. You can even ask questions.

Mr. John O'Toole: Yes, thank you very much, Chair. I do appreciate the presentation. I also appreciate the magnitude of the challenge, the changing pressures, if you will, and the emphasis on newer modes in Places to Grow. All those policy initiatives at the highest level are changing how we get there from here.

We heard a very valid presentation from Durham, which—I believe that they're just completely ignored. I'm not the only one saying that. I don't want to be rude. The second one is York region. Certainly, there are more cars going northbound on the Don Valley Parkway than southbound, because you are gridlocked in Toronto, and gridlock means the economy is not working. Some people put the number at \$6 billion annually, and that's ultimately why we're here. None of this am I blaming on you.

I just want to start with the first thing that I've heard in this very limited amount of time we've done, which is, show me the money. In fact, there's a very excellent report by York region, and it's quite dense—probably not dense enough, actually—asking: Where's the funding for the alternatives? It's not just for the Big Move—\$2 billion additional, which does not include operating. This is new money in the context of a collapsing economy, according to Don Drummond. It's not me; I'm just repeating what I read.

I would guess I've established the fact—and we've established today—that it's all about the money. The alternative funding is taxing more, some way or other.

Transit doesn't drive the economy. It gets rid of these people going places, but the economy doesn't travel on buses, unless you consider people travelling on buses. I could put you out 10 years from now. I have children who work in Hong Kong; they live there. I have one in London, England; I have one on the Isle of Man. They're all in the knowledge-based economy: lawyers and financial people. They don't go to work. Why would you be going to a bank or a law firm in downtown Toronto in 20 years? It's at home. This solution of putting everybody on a bus to get there—I think it's no vision at all, because

what I hear is, most people—the bus rapid-transit solution for Durham—I don't know anybody who's getting on the bus. It doesn't go anywhere. It leaves you off in the middle of the rain or the snow, 20 minutes from where you want to go.

I'm not criticizing you. I know how hard it is. You can't build a road everywhere. But they said in York, as well as Durham, that about 70% of the purpose for trips involves a car. That's the reality. I know you're going to suck \$2 billion out of the economy every year for additional transit money. I'm more concerned about jobs and the economy, linking that into your model here.

The provincial approach to gas tax does not work in my riding and, I think, in Prince Edward-Hastings. Their transit is roads and bridges.

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I will leave it there, because my colleagues—I'll probably get a chance to come back, but my colleagues will probably say something.

There is a question in there: Where's Durham, and where's the money? Don Drummond doesn't think there is any—but it's not your fault.

Ms. Carol Layton: First off, if I could, when you first started to talk about why is everybody hopping in a car and heading to downtown Toronto, it's something that certainly I appreciate as well. To deal with congestion, certainly the free-flowing roads and highways are important. Transit is important, but it's many more things. You mentioned it as well, as did I: building the complete community, so the communities that are compact, they're intensified—

Mr. John O'Toole: Places to Grow is all bunged up, too. Places to Grow—look at the number of jobs in Durham, for instance, or in York. Actually, Places to Grow needs to give bigger job numbers for Durham region. They've written and complained and even today in their presentation. The numbers aren't there. Where are the people? What are the jobs? What are the jobs? But—

The Acting Chair (Mr. Joe Dickson): I wonder if she could finish her statement please.

Ms. Carol Layton: Yeah, I mean, I just can't respond to that exactly. I do have to admit that when I was the Deputy Minister of Revenue, I was happy to be able to ensure that the 12,000 people impacted by the harmonized sales tax were able to continue to work at Oshawa, so they were able to negotiate good job security for those people.

But I guess the point there is, what is there for Durham region? The presenter also did speak about the 407 east extension, and I appreciate that it's a multi-year extension. It's going to be done in phases, but that's still going to be pretty impactful as far as the jobs that it's going to create in that area and bring a vital transportation conduit further east; likewise, a number of road improvements in and around the region of Durham as well to support also local road improvements that are impacted by that highway 407 east extension as well.

I certainly appreciate here that I've heard from a few presenters that desire for GO Transit to go beyond

Oshawa. We saw in that presentation that Bruce McCuaig made that radio—he said currently today, GO transit is oriented as a radio sort of network, but it's ultimately going to be a grid network. That will take time. That will take an identification of what lines are first, in terms of priorities. It's all going to be based on, certainly, the business case rationale for that.

The other point I just want to make is that things like two-way all-day on the existing transit line as opposed to extending will be another thing that would help deal with capacity. So there's a number of different factors there. But I also want to circle back to another point that you talked about, and that is that carpooling and telecommuting. You talked about that a little bit, with the flexibility that you need in terms of where workers work. Those are all other things that we're going to need to help address the sort of issues that we're dealing with—

Mr. John O'Toole: My colleague has a question, too.

Ms. Carol Layton: Sorry.

Mr. Todd Smith: I did want to ask you specifically about the Peel region where traffic is a terrible problem. It's affecting commerce in the area; obviously economics. Well, we have numbers here. The average cost of excess congestion experienced by commuters in Peel region is \$845 million a year. Actually, a report that came from the MTO in 2008 showed the findings of the statistical comparison indicate that 11 segments in the morning peak period are statistically slower in 2008 than they were in 2006. So things aren't getting any better in Peel region, in the Brampton area. What is being done there to improve things? It's not getting any better; as a matter of fact, according to this study, it's getting worse in Peel region.

Ms. Carol Layton: So again, I would refer to the presentation that Bruce made about the different investments that are going to be happening along the different corridors through GO transit over time, in the busy Peel, Mississauga region as well; and also the support of the permanent gas tax and what that would do, certainly in supporting—

Mr. Todd Smith: Is there anything right now that can be done to improve the gridlock problems on the 410 or the 401? I know in other jurisdictions, in other large North American cities—and let's be honest, the greater Toronto area is the worst in North America right now when it comes to gridlock. What are those other cities doing that Toronto isn't doing? What can we be doing right now that we're not doing?

The Acting Chair (Mr. Joe Dickson): You have just over one minute.

Ms. Carol Layton: What the province is doing is the best with what it is doing with the resources and that is expanding where you need. We have a southern highway program that looks at all those areas where—and we do pretty extensive transportation demand management studies to look at the flow of traffic and to see where there are delays; work to see where those pinch points are. Is it intersection improvements that are needed? Is it highway expansion? There is some 401 expansion hap-

pening in particular right now, more through the centre of the city, as well. But—

Mr. Todd Smith: With all due respect, the people in Brampton are telling us that they don't want any more studies. They want to see some action. They want extra lanes. They want subways. They want something that's going to allow them to get to work and then get back home to see their families in a sufficient amount of time.

The Acting Chair (Mr. Joe Dickson): That's just about the end. You have about 10 seconds to wrap up.

Mr. Rosario Marchese: Sorry, we have to go around.

Interjections.

The Acting Chair (Mr. Joe Dickson): In the time frame of 10 seconds.

Ms. Carol Layton: —other than to comment that I've heard the concerns that you've expressed there. I'm not sure whether there are any other highway projects that I've missed. I'm looking to Gerry Chaput, who's my—

Interjection.

Ms. Carol Layton: I don't think so, no.

The Acting Chair (Mr. Joe Dickson): We'll now go to the third party. Mr. Marchese.

Mr. Rosario Marchese: Thank you for coming. I've got a couple of questions, and then my colleague has one or two questions as well.

The transit experts are recommending increasing investment in HOV lanes as a proven way to reduce the number of single-occupancy vehicles on the road. You speak to that in your report, on page 17. But as far as I understand, the government is cutting funding for HOV lanes. Why would you do that?

Ms. Carol Layton: First of all, we have made some significant investments with I think it's 83 kilometres of HOV lanes right now that we have, to support the flow of traffic. The decision to not cut, but to in a sense defer any new commitments to any new HOV lanes—other than what we're going to be doing in Ottawa, because there are some, I believe, on Highway 417—is one that had to be made in the context of the broader issues that we're dealing with around fiscal planning and trade-offs.

Mr. Rosario Marchese: As I understand it, you're cutting \$229 million, which relates to highway expansion and HOV lanes. How much of that relates to cuts to HOV? I understand deferral, but out of that \$229 million, I think there are some cuts to HOV as well. Are you saying no, or are you saying it's simply deferred into some unpredictable future?

Ms. Carol Layton: It's deferred to a period of time when we can actually accommodate more HOV lanes in our fiscal planning.

Mr. Rosario Marchese: So all the cuts that you've made refer only to highway expansion, not HOV lanes.

Deferral: How much are we deferring by way of HOV expansion?

Ms. Carol Layton: Gerry, I'm not sure whether you have that answer.

Mr. Gerry Chaput: We don't have the specific numbers. The expansion plan includes both HOV and additional lanes—

Mr. Rosario Marchese: But there's no breakdown.

Mr. Gerry Chaput: I don't have the number broken down, no.

Mr. Rosario Marchese: I see. The Pembina Institute said a cost-effective way to reduce congestion is to convert one lane along the QEW, all 400-series highways, and inner-city highways. I think it's a good suggestion. Why isn't the government thinking about committing one lane—

Ms. Carol Layton: You're referencing the reference of one lane on the 400-series all over to HOV lanes?

Mr. Rosario Marchese: Yes.

Ms. Carol Layton: We're aware of that study, and the ministry is looking at that, because there are certainly other viewpoints on the impact of HOV lanes and what that means in terms of the flowing of traffic.

I guess it's fair to say that we do do pretty extensive modelling of our major highway corridors and where we need HOV lands and where we don't, and how we can deal with the congestion.

Mr. Rosario Marchese: So we're monitoring.

Ms. Carol Layton: Monitoring; modelling.

Mr. Rosario Marchese: Thank you.

Mr. Jonah Schein: Thanks for the presentation. Last year, we got a million dollars in Ontario in support of cycling in this province. That's compared to \$200 million that's invested over two years in Quebec. I'm wondering, why is funding so low in Ontario in support of cyclists?

Ms. Carol Layton: Certainly, Minister Chiarelli has spoken about that more recently. There is work that the ministry has been doing, looking at cycling. We can appreciate that cycling is a great form of transportation for people. It encourages fitness; it encourages a different form of use for folks. It also is something that we look at in the context of road safety, because, again, having the safest roads in North America is something that we would like to continue to have as well.

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I guess the other point I'd make is that there certainly is a demand for cycling on our secondary highways. The majority of cycling does occur, though—I also appreciate this—on the municipal road network. We do not have, as you've indicated, what Quebec has, which is a comprehensive network throughout the province, but that's exactly what Minister Chiarelli has charged us to do: look at all the different areas right now, because there are, as you look around the province of Ontario, various pockets of good cycling networks. So how do we bring this all together into a more comprehensive thing?

Mr. Jonah Schein: So I guess my follow-up is, back in 2010, the Minister of Transportation said that a comprehensive cycling strategy for the province of Ontario was imminent; it was just a couple of months away. We're still waiting for that strategy. Is there any timeline? Can we expect to see that—

Ms. Carol Layton: Yes, there is. It's coming. Minister Chiarelli addressed the Share the Road cycling summit not too long ago and committed to a draft one in the foreseeable future, in a number of months.

Mr. Jonah Schein: Do you expect that it will be an internally focused policy for the MTO, or will it be a public framework of action to inform transportation policy in Ontario?

Ms. Carol Layton: He's committed to a document that I believe is going to be one that would be available for people to consult. He would like to do consultation on it and have people provide input into it.

Mr. Jonah Schein: But no timeline of when that's coming.

Ms. Carol Layton: I think in his actual speech he talked about sometime this summer, with a draft policy.

Mr. Rosario Marchese: Promoting carpooling through legislative amendments and constructing new carpool lots—these legislative amendments: Are they coming?

Ms. Carol Layton: No, they're in existence. I think they date back to 2007; do I have that right, Rob? Is that right? Carpool lots.

Mr. Rosario Marchese: So they were introduced? We're not talking about new amendments but rather amendments that have been made.

Ms. Carol Layton: Existing. Amendments that have already been made.

Mr. Rosario Marchese: Gotcha. Are there any reports that you are producing or have available that you would like to table with this committee?

Ms. Carol Layton: What we're producing, actually—the other one that I referenced in my presentation is a goods movement strategy; it's work that is not finalized yet, but this is another one that the different sectors—air, rail, marine, road, truckers—are all calling for as well, because you can appreciate that the movement of goods is also important. But the movement of goods and the movement of cars—we need to have that intermodal, multimodal work. So that's work that is very actively under way in the Ministry of Transportation as well.

Mr. Rosario Marchese: Okay, thank you.

The Acting Chair (Mr. Joe Dickson): Thank you. Mr. Dhillon?

Mr. Vic Dhillon: Thank you very much, Chair. Thank you, Ms. Layton, for your presentation. I just want to mention about Brampton; I think things are going really good with the Züm bus system, although construction is still going on for the new terminals. I have heard from constituents about the benefits that they're getting from the use of this new form of transit. Parents and students are telling me how much easier it is to commute to Mississauga and Toronto. But it's unfortunate that not enough people are using the 407 because of the tolls and how our government's hands were tied when the previous government sold the 407 and how we're not able to impact the high fees for usage.

Getting back to the transportation of goods and people, we know that we need, on a forward-going basis, innovative techniques to improve the flow of traffic. Could you let the committee know about the innovative methods that the ministry is employing over the next years to get people and goods flowing?

Ms. Carol Layton: A good example of one is the long combination-vehicle program, which was a pilot in August 2009 and then was made permanent in March 2011. What's interesting about that particular program is that those carriers—we have about 100 carriers; two permits per—ultimately four permits. From the start of that pilot to pretty well now, it has saved two million litres of fuel and reduced GHG by about 8,300 tonnes, but more than that, you end up with, on one vehicle, carrying a much larger freight, albeit light and bulky freight. So that is one example of what we're doing to address, certainly, the movement of goods. There are other methods like using intelligent transportation systems to make sure that there is very good intelligence and the proper queuing up of traffic as well; and of course, different highway corridor planning that we're doing that will also support the movement of goods. The 401 widening that we're doing is a critical one to restore an asset for another 50 to 70 years of life as well.

Mr. Vic Dhillon: As well, you've spoken about need for the promotion of a multimodal transportation network in Ontario. Can you explain what the ministry is doing in terms of creating and promoting this type of network?

Ms. Carol Layton: The multimodal network is one that's going to look at, again, the support of goods movement. It's looking at air, rail, marine, as well as trucking, and look for the hubs of connectivity. In many ways, a lot of the stakeholders out there more or less say to us that "It's all there; just connect the dots for us." So it is about a strategy. There was extensive work done, working with the federal government as well as with the province of Quebec, on something called the continental gateway, although that exact product has not been released. There's an awful lot of detail behind that which will support the multimodal work that we're doing.

Therefore, regulatory policy work where we can support infrastructure work will be important as well. Other investments, border investments, are critical, with the Windsor border but other borders as well, such as Sarnia; and then the use of intelligent transportation systems as well, as trucks approach.

We're also working with our federal colleagues around the perimeter security work as well, which is vital in terms of the many different projects that they have under way and the role that we will play in supporting the flow of goods, certainly throughout the province and downward into the US, which is our largest trading partner.

Mr. Vic Dhillon: Our government—we've invested over \$600 million in HOV lanes across the province. Are there any plans for more HOV lanes?

Ms. Carol Layton: The 83 kilometres that we have right now are the plans that we have right now for the HOV lanes. Of course, everything is always—as priorities change and as the fiscal plan improves, we can certainly look at other options as well.

Mr. Vic Dhillon: Now, we've made record investments in transportation and public transit. Aside from what we can see, are there any other projects that your ministry has to help ease congestion?

Ms. Carol Layton: I've talked about the goods movement strategy that we're working on; the government has also talked about the intercity bus industry as well that we're looking at. There's a role for private carriers; we've talked an awful lot about public transit today, but there is also re-examining the role for private carriers for people and how they can get into communities. That's another significant initiative that we have under way.

We've talked certainly about the cycling strategy and also talked about just other intermodal ways to support transportation and the flow of people and goods.

Mr. Vic Dhillon: One of the biggest drawbacks, if you can say, of congestion is that there are a lot of vehicles stuck in traffic, idling. Not only does it impact their movement, but it also affects our environment. What's MTO doing to develop strategies with respect to that?

Ms. Carol Layton: Strategies to address the impact of cars stuck in traffic? Well, I think a very important statistic to appreciate is that every 1% increase in the share of transit versus travelling by car will reduce the GHG emissions by about 25,000 tonnes a year. Therefore, this relates to all the whole purpose of this committee, and that is, what can we do to relieve congestion? I've talked about it in the context of transit; I've talked about it in the context of highway expansion where we can; I've talked about it in the context of long-term corridor planning; and I've talked about it in the context of also making sure that those roads that people travel on are safe and therefore keep the great statistics that we have around reduced—fewer—collisions than our neighbouring subnational jurisdictions, so that that also supports the free flow of traffic. When you have free-flowing traffic, you're going to have fewer people idling in cars. But we also have the encouragement of the electric vehicle through a subsidy program that we've had for a few years. Also, as I've indicated, looking through a recent RFI that went out on the system on where would we put in a charging infrastructure network so that that anxiety for people of driving an electric vehicle or plug-in hybrid vehicle is lessened and they're willing to make that change to cars that themselves have zero emissions.

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Mr. Vic Dhillon: Thank you very much. Thank you, Chair.

The Chair (Mr. David Oraziotti): Thank you.

Mr. Jonah Schein: I just have a request of the deputy minister before she leaves. Is that okay? Just briefly.

The Chair (Mr. David Oraziotti): Okay. Go ahead.

Mr. Jonah Schein: I'm just curious if you have any internal reports at all about reducing congestion through supporting people to work from home or subsidizing transit passes for people in lieu of free parking. I'm curious to see if you have anything like that that you could share with us.

Ms. Carol Layton: Actually, the subsidizing of passes—I'm not aware of that. There have been some pilots that have been done, not in terms of supporting, but

pilots that have been done with the Ontario government where our own employees have participated in tele-commute-type work, so work-at-home projects. There are a number of different ministries that have done small pilots. It's not our ministry but probably the host ministry of those employees that has actually compiled the statistics. We actually have a pilot under way right now in our own ministry as well where we're trying to pull that together. So it would not be a full report, but I could certainly look into that more closely.

Mr. Jonah Schein: Okay. Does that include car sharing as well as an option?

Ms. Carol Layton: The car sharing—I think, through Metrolinx, with the work that they're doing with the smart commute, I could look into that with them as well.

Mr. Jonah Schein: I appreciate it. Thank you.

The Chair (Mr. David Oraziotti): Okay, thank you very much. Requests for information?

Mr. John O'Toole: Just a quick one: Are you aware of areas or countries that try to incent people through tax and other measures to get out of the car and into transit, to get them to make the move? This is important. In my own experience, it's very important to make the move.

Ms. Carol Layton: I think Bruce McCuaig, in his presentation, spoke about—he looked around the world. So for example, congestion pricing that you'll see in the UK—

Mr. John O'Toole: Yes, they price them out of their car—

Ms. Carol Layton: Well, I mean, the investment strategy itself is going to be looking comprehensively at every method. Whether it's a fee or a tax or whatever, ultimately, somebody makes a decision.

The Chair (Mr. David Oraziotti): Thanks for your presentation. We appreciate you coming in today.

Ms. Carol Layton: Thank you, Chair.

CITY OF TORONTO

The Chair (Mr. David Oraziotti): Our next presentation: the city of Toronto. Good afternoon. Welcome to the Standing Committee on General Government.

Mr. Denzil Minnan-Wong: Good morning—or good afternoon. It's been a long day. You stay in your office all day and all of a sudden you walk outside and it's the end of afternoon.

The Chair (Mr. David Oraziotti): You've got 15 minutes for your presentation and 10 minutes for questions. Just state your name for the purposes of our recording Hansard, whoever may be speaking, and you can begin when you're ready.

Mr. Denzil Minnan-Wong: My name is Denzil Minnan-Wong. I'm a city councillor for the city of Toronto. I'm also chair of the public works and infrastructure committee. With me is Myles Currie, and he's with our transportation department.

I'd like to say thank you for convening the Standing Committee on General Government. As the chair of the Toronto public works and infrastructure committee, I'm

pleased to appear before you to discuss congestion and what can be done to help.

We're all concerned about congestion. Toronto is Canada's largest municipality and a significant economic hub, comprising 11% of Canada's GDP, topping \$144 billion in 2011. Our most recent data indicates that during a typical 24-hour weekday period, over 2.7 million vehicles cross our city boundaries. The board of trade has said that traffic congestion costs the GTA \$6 billion annually in lost productivity. For those who travel in Toronto on bikes, on foot, in transit or in cars, congestion is a daily battle.

First, a few facts about congestion in Toronto: The population and employment of Toronto and surrounding municipalities is growing every year. This is an indication of a strong and healthy economic environment; however, as a result, congestion in the city of Toronto continues to increase as well. Here are some of the indicators that illustrate the effects of congestion in and around our city.

Peak periods: The peak periods for travel have become increasingly longer. Historically, peak travel hours were considered to be between 7 a.m. and 9 a.m., and 4 p.m. and 6 p.m. These peak periods have increased considerably over time, resulting in increased driver frustration and negative impacts on the environment, as well as financial costs.

Directional flow: While Toronto is still the largest generator of vehicle traffic flow in the GTA—predominantly inbound to Toronto in the morning and outbound in afternoon—the traffic volumes in the reverse direction have increased significantly over the past 25 years. In some locations, like the Peel-Toronto border, the inbound and outbound traffic flows are about the same during the peak periods, so the same traffic numbers back and forth.

Travel time: Recent travel time studies conducted on both the Don Valley Parkway and the Gardiner Expressway found that the average time to travel along these roadways during the morning and afternoon rush hours is approximately two times longer than during optimal free-flow conditions. Even at midday, the average travel time for the roadways is 1.5 times the ideal travel time. More time commuting means less time doing business or time spent with your family.

Unpredictability: Not only is the travel time excessive, it is also unpredictable. Studies indicate that the variation of travel times on key Toronto roadways is increasing. The unreliability and uncertainty of not knowing how long a trip will take adds to driver frustration.

Toronto has known for a long time that there is a need to take action to mitigate traffic congestion and improve traffic operations. So what are we doing? We in Toronto are developing an intelligent traffic systems strategic plan that will assess and make recommendations to better use the traffic systems on our expressways and our arterial roads. The plan will also identify performance measures that would be used to evaluate the effectiveness of these strategies.

We are also addressing the needs of the arterial road users by replacing our traffic management systems with

the latest in traffic signal control technology, and we haven't stopped there. Recently, we have initiated a review of technologies to monitor and manage traffic on our arterial roads with the goal of improving traffic operations and providing road users with information to assist them with their travel and decision-making.

We are also looking specifically at the travel conditions in Toronto's downtown area. We have recently initiated a downtown transportation operation study that will examine the causes of congestion in the downtown area and what can be done to address these problems. We hope this study will identify some quick fixes that can be implemented to move people more efficiently in the city's downtown core. In a nutshell, we're looking to technology and best practices to help improve traffic flow. While these short-term initiatives are a start, a long-term strategy is necessary to take us through to the next decade and beyond.

The city has an inventory of over 5,600 kilometres of roads, 970 bridges and major culverts, 7,900 kilometres of sidewalks, 2,200 traffic signals and 290 kilometres of off-street bike trails. It is critical to maintain this infrastructure, which has an estimated asset value totaling \$12 billion, in a state of good repair in order to provide safe and efficient operating conditions for the city's residents, businesses and visitors. This is crucial not only for the economic health of the city, but for the GTA and province as a whole.

The current backlog of transportation rehabilitation needs is over \$300 million. While this represents less than 3% of the transportation infrastructure asset value, it is a huge figure. At the current funding level, this backlog is expected to increase to \$750 million in 10 years. What will help? For starters, funding and partnerships.

The recent provincial-municipal roads and bridges review, in which the city participated, served to highlight the shared provincial and municipal fiscal challenges to build and repair Ontario's infrastructure, estimated to require \$100 billion. The review concluded that the long-term sustainability of roads and bridges requires continued investment by all levels of government. Much of this investment should go towards major infrastructure expansion in the city of Toronto that, I would respectfully submit, would have significant regional and provincial importance. For example, the widening of Steeles Avenue, from Markham Road easterly to the town of Pickering border, would not only serve both the city of Toronto and the region of York, but also the development of the provincially owned Seaton lands to the east. Another example: The millions of dollars being spent to improve and reconfigure the Gardiner Expressway ramps will benefit each and every GTA resident who drives into the city to work.

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The construction of key missing links, road and bridge widenings, and grade separations are examples of major infrastructure improvements that help us manage and address congestion. The problem is that transportation planning is still seen by too many to be a municipal

function. Toronto and the other municipalities are reliant on property taxes to fund much of the city's transportation infrastructure needs, both in terms of state-of-good-repair and growth-related improvements and enhancements. This is not sustainable. The city will consider and pursue all the funding mechanisms at its disposal, but an infusion of funds from the province is necessary to address our needs if we ever hope to effectively tackle congestion.

At the moment, both Toronto and Ontario are undertaking processes to alleviate congestion. In March 2012, council adopted a motion to prepare a long-term rapid transit funding strategy outlining revenue tools to finance rapid transit. One of the more controversial revenue tools I expect to be debated by city council is congestion pricing. I see congestion pricing as a tool neither government can continue to ignore. I, for one, see the provincial government leading the charge—no pun intended—in implementing congestion pricing on a regional basis during peak congestion periods. This will encourage the use of public transit, reduce the number of vehicles on the road during peak rush hour periods and provide funds that are desperately needed to fund transit and infrastructure projects.

As the city of Toronto develops long-term strategies to address congestion, looking to technology, policy, infrastructure and transit at the same time, Metrolinx and its report, *The Big Move*, are identifying how rapid transit will be built across the GTA.

To be effective, our governments must integrate our planning exercises. The implementation of a regionally integrated intelligent transportation system may be the most cost-effective approach to tackling congestion in the GTA that could be applied province-wide. Large municipal infrastructure projects require significant federal and provincial funding. Provincial and federal funding through the Building Canada Fund and other programs has helped us dramatically in addressing some of our infrastructure needs and temporarily stalling the growth in our backlog. But short-term infusions of funds only help to accelerate the implementation of some of our overdue projects.

There remain big needs. Our infrastructure is aging and the demands are increasing. We must be able to roll out long-term plans to effectively address our infrastructure challenges.

You will soon hear from our colleagues at the Toronto Transit Commission about the importance of public transit in the congestion equation and solution. However, we cannot overemphasize, and certainly not overlook, the importance of active transportation to reduce the demands for travel by automobile. As chair of public works, I have personally championed cycling as a way to reduce the number of cars on the road. This means both protecting and accommodating cyclists in our city.

That is why we will be implementing separated bike lanes on Sherbourne Street later this year, the first in Toronto and the first of what will be a 14-kilometre network of downtown separated bike lanes. It is also why

we will be presenting to our city council later this week an extensive and ambitious bikeway trails plan, comprising over 77 kilometres of new trails in our rail corridors, hydro corridors, parks and ravines.

In regards to single-vehicle occupancy, in 1985, the a.m. and p.m. peak occupancy was 1.23 and 1.26 persons per vehicle, respectively. In 2008, the a.m. and p.m. peak numbers dropped to 1.07 and 1.09 persons per vehicle, respectively. As such, there is a great need to reduce the number of single-vehicle-occupant trips taken each day in the city, trips that modes of transportation like transit and the bicycle are well suited for.

And it is in this area that the province can really help—with amendments to the Highway Traffic Act and the municipal class environmental assessment process to support, promote and encourage cycling and walking. This will send a clear and strong message to the residents of Ontario that we're doing everything we can to address the traffic congestion problem that we currently face on a daily and increasingly frustrating basis.

Improvements or amendments to various policies and processes can also address the problems and constraints associated with another type of gridlock: the legislative and jurisdictional gridlock that often inhibits our ability to effectively address our congestion problems in a timely manner.

We look forward to working with you to identify what legislative changes are required to make this a reality. For us to move people and goods, reduce congestion and support our economy, we need to work together.

In summary—this probably should have been the first sentence—we need additional funding, continued partnerships, integrated regional solutions, changes to legislation and incentives to promote alternate modes of transport. This is our recipe for solving gridlock.

Toronto's residents and businesses have waited too long. So has the GTA. The time to strengthen our partnership to address congestion is now. We all look forward to working toward that common goal.

The Chair (Mr. David Orazietti): Thank you very much for your presentation. Questions starting with the NDP caucus: Go ahead, Mr. Marchese.

Mr. Rosario Marchese: Thank you for the presentation. I agree with you in the last comment you made about a cycling policy from the province that we've been waiting for for two years. We understand that it's coming soon in terms of the promotion of cycling infrastructure that Quebec is doing so very well and we're so lagging behind. We're waiting for that report.

Does the city have any incentives to get people out of their own cars with their own employees?

Mr. Denzel Minnan-Wong: Myles?

Mr. Rosario Marchese: Any incentive—any strategies?

Mr. Myles Currie: There are strategies, none that are financial with the exception that the city staff do receive a reduction on the Metropass for the TTC, so they can purchase a monthly pass at a lower rate than if they were to buy individual tickets.

Mr. Rosario Marchese: So they would get a reduction on their Metropass if they leave their car at home?

Mr. Myles Currie: Well, they have an option to purchase a Metropass.

Mr. Rosario Marchese: Right.

Mr. Myles Currie: It's not tied to leaving your vehicle at home.

Mr. Rosario Marchese: Not tied.

Mr. Myles Currie: As well, we have car-sharing and carpooling initiatives—nothing mandatory, but initiatives—that we recommend.

Mr. Rosario Marchese: How is that working? Do we know?

Mr. Myles Currie: It's still in its early days, but we are finding that people are taking that up, plus they're looking at telecommuting as well.

Mr. Rosario Marchese: Do you track that in terms of use and is it growing, is it—

Mr. Myles Currie: We are starting to track it. It's not measured right now.

Mr. Rosario Marchese: It would be a good idea, no?

Mr. Denzil Minnan-Wong: We also have other things that encourage cycling, to try to make it convenient. At certain places in the city, at city buildings, we have bike stations where people can park their bikes, lock them up in a covered area, where they won't suffer from the climate or from vandalism.

Mr. Rosario Marchese: Good idea.

Mr. Denzil Minnan-Wong: And also, we try and make shower stations available so that people can come and clean up before they go to work.

Mr. Rosario Marchese: And do we track the use of those facilities?

Mr. Denzil Minnan-Wong: Pardon me?

Mr. Rosario Marchese: You have showers, shower facilities.

Mr. Denzil Minnan-Wong: Yes.

Mr. Rosario Marchese: Do we track how often that gets used by different people? Is that good, is it great, is it getting better?

Mr. Denzil Minnan-Wong: Yes, we do. We also have, for the general public, the Bixi program in the downtown core, which you would see driving around the downtown, where people can pick up a bike. Even if they drive down, you can go to an appointment—

Mr. Rosario Marchese: I think it's great. If you have any studies or however you're tracking the use of the shower facilities—because I think that's important. I'm not going to ride my bike down from Lawrence and Bathurst because we just don't have facilities to shower. It's a bit of a disincentive. So if you have a study, would you please send it to us?

Mr. Wong, you talked about, "I, for one, see the provincial government leading the charge ... in implementing congestion pricing." You say, "I, for one"—

Mr. Denzil Minnan-Wong: Yes.

Mr. Rosario Marchese:—meaning you have a voice. Do the other councillors agree with you on this conges-

tion pricing, and what exactly do you mean by congestion pricing?

Mr. Denzil Minnan-Wong: I'm speaking for myself as a councillor, not for the whole council. We're grappling with this issue of congestion pricing, which is the buzzword for road tolls. We're struggling with this. I think there are various views and opinions on our council. I believe, with regard to congestion pricing, that it has to be done on a regional basis because if you just, for example, put it in one jurisdiction, the economic impact would be significant. Businesses will decide not to set up in Toronto, people will decide not to come into Toronto. We're one economic unit and so one jurisdiction cannot be—

Mr. Rosario Marchese: I agree with that.

Mr. Denzil Minnan-Wong:—negatively impacted over another. So the most effective way to do it is to have regional pricing so everyone is treated similarly, so there is not any negative impact—

Mr. Rosario Marchese: I was about to ask you whether—if Toronto does it alone, wouldn't that have financial implications—

Mr. Denzil Minnan-Wong: It would.

Mr. Rosario Marchese: And you're just saying it would.

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Mr. Denzil Minnan-Wong: I also believe that in terms of the congestion pricing as well, there are a lot of people who don't have the financial means to afford it, so we should only do it where it's absolutely necessary. My view is, you should only do it during the rush hour, because there are a lot of people who need to get downtown who've actually paid through their taxes for these highways. Perhaps there should an opportunity during the day, when the roads aren't as full, so other individuals who may not, as I say, have the means to pay for those tolls could get on those roadways as well.

Mr. Rosario Marchese: Thank you, Denzil. He's got a question.

Mr. Jonah Schein: Councillor, I appreciate that on page 5 you said that "there's a great need to reduce the number of single-vehicle-occupant trips taking place each day in the city..." I guess my question is, are you going to do studies about congestion and safety before the bike lanes on Jarvis disappear? Are there any plans to study the impacts before that?

Mr. Denzil Minnan-Wong: In terms of the bike lanes on Jarvis, council made that decision. That ship has sailed, so to speak, or that car has left the garage. That decision is made. What we're doing is, we're providing another safe-route alternative a couple of blocks over on Sherbourne. Instead of a painted line on a north-south corridor in the east part of the downtown, we're providing them with a separated bike lane where they'll be able to ride safely. It is called a cycle track. It's the first of its kind in the city of Toronto. I think you'll find a lot of people pleased with that.

My belief is that certain roads should be used to get in and out of the city, where we need to move vehicles, but

then there are other roads that we can use for cyclists and provide a safe, connected route for them.

Mr. Jonah Schein: Thank you.

The Chair (Mr. David Oraziotti): Thank you. Next caucus. Mr. Sergio, go ahead.

Mr. Mario Sergio: I'd like to welcome the councillor, a companion from the good old days. We call them the good old days, before Toronto became Toronto. Metro council? You were not with Metro council?

Mr. Denzil Minnan-Wong: I was on city council, yes.

Mr. Mario Sergio: I remember Mr. Sam Cass, when he was the essence of transportation in Toronto here. But thanks for coming and bringing a presentation to our committee.

Nowadays in Toronto, wherever you look there is construction—new projects, maintaining some of the old ones. You have three major ones under way now, even though it may not be your choice, of subways versus LRT, but we have three major projects costing millions of dollars.

You have mentioned that you require some \$100 billion soon. We know that the province is shelling out two thirds of all the transportation money in Toronto. Is the federal government participating to some percentage in all the infrastructure and transportation expenses in Toronto?

Mr. Denzil Minnan-Wong: Firstly, it was a pleasure to serve with you on North York council.

I would note that the \$100 billion that's referenced on page 6 is related to Ontario's infrastructure needs; it's not the city's. Our infrastructure needs: We have a current backlog of \$300 million. That's going to increase, if we don't invest more money, to \$750 million over the next 10 years. I think that there has to be a recognition by all levels of government that infrastructure is a problem. I'm speaking not only to our roads and bridges, but I think also your numbers speak to the big projects, the transit funding. We do need that funding if we're going to expand. It can't come off the property tax base. That's just not a reasonable arrangement. The federal government has actually been a good partner in providing funding; we're really pleased with what they've done.

Actually, one of the problems that I also mentioned in terms of federal funding—we mentioned the infrastructure projects. One of the real challenges that we face—I don't know if you're aware of this—is that when the infrastructure programs did come up, we couldn't fund our programs because they weren't ready. Many of the projects they would have approved but for the fact that we had to do EAs. We would have gotten them done. If the EA process would have been expedited, a lot of projects in your ridings, you could have seen them happen if the EAs had been completed.

Mr. Mario Sergio: I have one more question. I know you have three major projects, some of them under way right now. I believe it's perhaps the major project coming in a long way for the city of Toronto. But you have also mentioned that you have this long-term transportation or

traffic strategy going on. Have you already identified some of the future projects in this strategy that you're conducting, and are there some major projects that you envisage in the future in this strategy?

Mr. Denzil Minnan-Wong: Well, I can speak to one of the projects that's going to get under way this year that I think would have an effect on a number of members here. You know, we have the Bay-York interchange, and I don't know if your residents tell you—any of you who come in from Mississauga or Oakville, when you hit the downtown and you hit Bay and you try to get up to Queen's Park, it's just an absolute nightmare. Part of our long-term strategy is to look at some of these infrastructure projects to actually break that gridlock, so what we're doing is we're redesigning the interchanges to take that congestion—redesigning the intersection to put it on Simcoe Street, to get traffic moving. In some ways, that helps more people from outside Toronto than inside Toronto, because for all those people who come in from, as I say, the Mississaugas and Oakvilles and Hamiltons, traffic is going to move better. That's a big project for us. That's \$20 million.

We're looking at those types of big projects. We're looking at small ways to make traffic move better, but some of them require a larger fix, require a larger investment of money that is not of assistance just to the residents of the city of Toronto but to the GTA as well.

Mr. Mario Sergio: Any timing on that?

Mr. Denzil Minnan-Wong: We plan to, I think, start this fall. How long is it going to take, Myles?

Interjection.

Mr. Denzil Minnan-Wong: It will take about a year to do that.

Mr. Mario Sergio: Okay. Thank you very much.

The Chair (Mr. David Oraziotti): Conservative caucus: Mr. Smith, go ahead.

Mr. Todd Smith: Thanks, Chair, and thanks, Councillor, for coming in and addressing this very important issue for the city of Toronto, the GTA. Six billion dollars a year is what you say gridlock is costing the city of Toronto. Obviously, it's a huge issue when we're seeing businesses leave the province of Ontario at an alarming rate as well.

I can tell you, being an eastern member, from Prince Edward-Hastings, which is in eastern Ontario, the Belleville area, that a lot of people in my riding aren't coming to the Toronto area anymore, because they don't want to sit on the Don Valley parking lot for two hours to get into town. So it's a huge issue that needs to be addressed. As the member from Durham said earlier today, why would anybody want to come in? This is something that should have been dealt with seven, eight, 10 years ago, but has been pushed off to the back burner.

There's a KPMG study that showed that 90% of business executives out there say that the availability of top transportation infrastructure directly affects where they expand and locate their business operations, so I think it's time the province started treating transportation policy as economic policy, because it is costing billions

of dollars and we have to alleviate this gridlock problem. As a Toronto city councillor, when you hear stats like that and you know that people are leaving the province and leaving the city, or not coming to the city, at alarming rates, it's a serious issue.

I have to ask you, because you're a Toronto city councillor: We've been talking a lot about the fact that Toronto city council just can't seem to make a decision when it comes to the \$8 billion that has been set aside by the province, when it comes to which way to go. We had a mayor who was elected, on quite a resounding election result, to build subways.

Mr. Denzil Minnan-Wong: I think we all recognize the gridlock problem, and it's increasing, and so we're doing what we can now to alleviate that. I think part of this problem, as I said, is a funding problem.

With regard to the transit issue that you raised about not being able to make a decision, we made a decision, and I was on the other side. I was on the losing side of that decision, but you can't always win in politics. You can't always be on the winning side in government, of course. But I think the reality is—and I think that we can all agree with this, or I hope we can all agree—that the public wants progress.

While you don't always get your way, on the transit file in the city of Toronto, people need a solution. What I preferred was the subway, which was the first-class decision, or the LRT, which I think was the second-class decision. You know, first-class ticket or second-class ticket, they just want to be on the train. So I think we've made a decision and we're going to move forward.

Mr. Todd Smith: Very good. Thank you.

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Mr. John O'Toole: Very good. Thank you very much, Denzil. A pleasure, your presentation. Toronto is important. I think no one disputes that.

You did use a couple of terms that are a bit troubling. You said the current system is "not sustainable." We've heard pretty well from every presenter, "Where's the money?" That's kind of what we've heard, and you've said it as well.

Now, you've come up with a couple of new tax ideas—basically they're taxes. Congestion charges are taxes.

But I am intrigued by the ITS, intelligent transportation systems, or strategy. There's something there, and I suspect that's something I'd be interested in to move or expedite traffic and the economy, because they're linked. Have you got anything to respond to that at all, the ITS? I've heard presentations from these people that—

Mr. Myles Currie: Well, the city of Toronto—we do have an ITS system. We have a traffic management system. We don't call it that today, but that's what the buzzword is in the industry. We are in the process of enhancing. One particular area is our traffic adaptive system within our arterial road network. It's about 20 years old, antiquated, failing, unfortunately. So that's one area we want to focus on, but we see it as seamless; we don't see Steeles or Peel or the boundaries in the east end

as boundaries. Traffic doesn't see boundaries. So one of the things that we're recommending is an integrated ITS strategy so that we can look at using the same platform, the same technologies, throughout the entire GTA. To have individual systems that don't support each other will be counterproductive.

Mr. John O'Toole: You have a tremendous deficit and all of that; you just said your system's out of date. You've \$12 billion in assets and you call that completely unsustainable. That's really the issue. If you become any more gridlocked, do you have a strategy short term, and what would that be, for this committee? What would you leave on the table here as a must-do? Would it be more bicycle lanes? What would be a must-do, if it was about the economy? And they're inextricably linked.

The Chair (Mr. David Orazietti): Thanks. Final question, so go ahead and provide an answer to that.

Mr. Denzil Minnan-Wong: Myles could answer that. He's a public servant.

Mr. John O'Toole: If he could give some ideas to the committee—

Mr. Denzil Minnan-Wong: But from a politician's point of view, the elephant in the room for us is transit funding. So, as health care is to your government, so is transit to our government. One of the most effective ways that you can deal with gridlock is getting people out of cars. You have to make it convenient. You have to make it efficient. So unless there's sufficient money to fund transit—and I'm just not talking capital. We're going to get these things built, but then we have to pay for it. Back in the days of Bill Davis there was money for sustainable transit funding. That was taken away by one government and not replaced by every government after that. So I think we're all responsible for that arrangement, and until there's something done about that, we're not going to be able to get as many people out of cars. I'd take transit to work if I could, but it takes me too long to get here.

Mr. John O'Toole: I have one thing, an article in the paper that says that the whole thing of Transit City—in the paper it says that the real issue is that "the TTC is already trying to insulate itself from ... the traffic chaos everyone knows is coming when construction starts." They're going to blame everything on the province—

The Chair (Mr. David Orazietti): Mr. O'Toole, thanks for your comments.

Thanks for your presentation.

Mr. Denzil Minnan-Wong: Thanks for cutting me off. I didn't want to answer that last one.

The Chair (Mr. David Orazietti): I was actually trying to cut him off.

Mr. John O'Toole: That's okay. I've got lots to say.

The Chair (Mr. David Orazietti): Thanks for your presentation.

Mr. O'Toole will be happy to know that the next presentation is the Toronto Transit Commission.

TORONTO TRANSIT COMMISSION

The Chair (Mr. David Orazietti): So the next presentation: Toronto Transit Commission. Welcome to the

Standing Committee on General Government. As you're aware, you've got 15 minutes for your presentation and 10 minutes for questions among members. Just simply state your name for our recording purposes, and you can begin your presentation when you're ready. Thank you.

Mr. Andy Byford: Okay. Good afternoon, everyone, and thank you for the invitation to present to you. I'm Andy Byford. I'm the chief executive officer of the Toronto Transit Commission. My colleague is Mitch Stambler, who's head of service planning, again at the TTC.

Mitch has kindly agreed to drive the slides so that I can focus on talking to you and speaking with you.

So, my kickoff: Transit is the best, most realistic and most achievable means of reducing traffic congestion in urban areas. This has been concluded through many international studies done by organizations such as the World Bank, the OECD, the FCM and the United Nations etc. Other environmentally sustainable transportation modes such as walking, biking or carpooling may be helpful, but only transit offers all of these features: It is compatible with virtually any type of land use, be that commercial, residential or industrial; it is accessible to people of all differing levels of income and mobility; it offers high capacity which is expandable; and it is sustainable and environmentally friendly.

I think we'd all agree that congestion in Toronto is real and it is problematic. A recent study undertaken by Metrolinx and the board of trade concluded that traffic congestion in the greater Toronto area currently costs the local economy \$6 billion in lost productivity every year. A recent Environics poll conducted for the Globe and Mail found that 90% of residents agree that GTA traffic congestion has reached "crisis proportions." This is an increase of more than 20% from a similar poll conducted in 2010.

Transit currently plays a vital role in keeping Toronto's economy and transportation system moving. In the central area of Toronto alone, almost 80% of all trips are made on transit. The more travel which is attracted to transit, the fewer cars that will be on the road and the less traffic congestion that will occur.

The TTC has been working very hard to make transit more attractive to a wide range of customers for all of their travel purposes, including discretionary trips like shopping and recreation, and not just the necessities of work and school trips.

Working within our available resources, the TTC has improved the frequency and the quality of peak period service by increasing the number of vehicles and operators on the routes highlighted on the map that you can see on the screen.

The TTC has invested significant resources into improving our off-peak services, with an emphasis on ensuring that every part of Toronto has service all day and throughout the evening hours, every day of the week. All the routes highlighted on this map have had such improvements implemented. Again, they are the ones that we highlight on that map before you.

The TTC is working hard to make its system accessible to everyone: people with disabilities, people who use mobility devices, people who are frail and elderly, people who use baby carriages, and people who are too old or too young to be eligible to drive. In addition, all TTC buses are now accessible. The TTC's new subway cars offer even higher levels of accessibility than do our previous subway cars—and that's an example there of the interior of one of our rocket trains.

The TTC is in the process of acquiring new low-floor, accessible streetcars—again, the imagery is before you. That's the ramp that will be deployed; it's a two-stage ramp that will be deployed for people requiring the ramp, to go up on a scooter device. Those low-floor, accessible streetcars will progressively replace our older and non-accessible streetcars.

The TTC is also working to make transit a viable option for people who are already committed to sustainable modes of transportation, but for whom their current travel requirements may be too challenging.

Our efforts are paying off. The TTC's ridership has been increasing significantly in recent years, hitting a major industry milestone of 500 million passenger journeys in 2011, as you can see on the graph, and we are trending towards another all-time high this year of 512 million passengers, with a likely further increase through to 520 million in the not-too-distant future.

In contrast to many other cities, the TTC's ridership consists of more off-peak riders than peak period riders, which means that Torontonians are choosing to take transit not just to get to work, but also to go shopping, to go to the movies and to go to their doctors etc. I can certainly say that's not the case in other cities that I've worked in—in London and in Sydney. It's quite unusual, actually, to work at a property where off-peak ridership is increasing, more so than peak ridership. It's quite unusual, actually. This is the foundation for a truly sustainable city, where people's lifestyles are evolving in a non-car-oriented way.

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Transit is the best way to combat congestion in a big city like Toronto because it is able to carry large volumes of people in a highly efficient and compact way which makes best possible use of limited available road space.

Here are some illustrations for you. Every TTC bus full of passengers replaces about 50 cars. Every TTC streetcar full of passengers replaces about 70 cars. Every TTC new high-capacity streetcar—which we're rolling out—full of passengers will replace about 120 cars. Every TTC subway train full of passengers replaces about 1,000 cars. In fact, with the very high frequency of service which the TTC operates on the Yonge subway, for example, that one line alone replaces over 140,000 car trips during the busiest hours of the morning and afternoon peak periods. You can imagine how much more congested the roads would be were those 140,000 car trips taking place. With a daily ridership of 1.6 million passengers, the TTC replaces the equivalent of almost 1.5 million car trips per day in Toronto.

The implementation of Toronto's light rail plan is projected to divert very significant volumes of car travel to this new form of rapid transit, which will reduce or help slow down the growth of congestion in Toronto, while simultaneously reducing transportation-related greenhouse gases. We are very grateful for the provincial government's investment in light rail transportation, which is, in reality, an investment in a superior quality of life for all Torontonians, a healthier environment and a more livable and attractive city.

Traffic congestion affects the TTC just like it does all other users of the road. Over the last 10 years, the TTC has added a total of 28 buses and streetcars to its existing services exclusively for the purpose of offsetting the slower travel speeds which are resulting from worsening congestion. These additional resources add no capacity to the system, nor do they improve service quality. Rather, they just help the TTC to tread water. But they have cost the TTC over \$37 million in vehicle purchases and have added \$15 million to the TTC's annual operating costs.

In order for the TTC to combat congestion, we have implemented and continue to implement various mitigation measures and investments.

For streetcars, we have implemented three reserved rights-of-way where streetcars are physically separated from adjacent traffic and congestion and are therefore insulated from congestion, both current and future. These three lines are the 509 Harbourfront streetcar, the 510 Spadina streetcar and the 512 St. Clair streetcar. All of these lines are enjoying considerable success, with ridership increasing faster than the system-wide average.

We very much look forward to implementing the new light rail lines in comparable rights-of-way. These new lines will have wider station spacing than downtown streetcar routes, all-door boarding, and fare payment using the Presto card, so they will move at twice the speed of current streetcar routes and with much greater reliability and efficiency. There are huge customer service and operational benefits in the light rail lines that we are about to start building in conjunction with yourselves.

On the bus front, the TTC has opened its first-ever bus rapid transit line to York University. That, too, is enjoying tremendous success with high ridership. Again, the map shows you where that high-capacity bus rapid transit line is.

Like a streetcar right-of-way, a bus rapid transit facility provides a high-demand bus route with its own bus lanes—usually physically separated—in order to allow the buses to operate quickly and reliably without being affected by traffic congestion. There are other opportunities for bus rapid transit lines in Toronto, and some are currently the subject of TTC feasibility studies or environmental assessments, as we show on the map.

To assist other bus routes whose speed and reliability have declined as a result of traffic congestion, the TTC is embarking on a plan to implement queue-jump lanes at locations of chronic congestion. These lanes will allow buses, each of which carries 50 to 60 passengers, to bypass queues of congested automobile traffic, where

each vehicle typically carries only 1.1 passengers. Indeed, with a finite and unexpandable supply of road space, our collective objective should be to effectively move people, not vehicles, and this can be done best with public transit. This photo shows how one transit vehicle can replace the need for many, many road-congesting, space-consuming and environmentally polluting private automobiles.

In conclusion, congestion in Toronto is real, and it is having a measurable and perceptible negative effect on people's quality of life. While many theories and hypothetical ideas have been put forward over the years on how to combat congestion—such as staggered hours, car pools and telecommuting—the only real, enduring, realistic, achievable and socially acceptable solution is public transit. The TTC is very proud to be a major part of the solution to traffic congestion in Toronto.

Thanks again for letting us speak with you, and we welcome your questions.

The Chair (Mr. David Oraziotti): Thank you very much for your presentation. The Liberal caucus is up. Go ahead, Mr. Dhillon.

Mr. Vic Dhillon: Thank you, Chair.

Thank you very much for your presentation. What other types of transit systems have you dealt with most frequently in your career, and how do they compare with Toronto's transit system?

Mr. Andy Byford: My career has spanned the London Underground; two of the former British Rail train operating companies, so that's heavy-rail mainline operation; and, most recently, RailCorp in Sydney, Australia, which is a heavy-rail system supplemented by coaches on what's called the CountryLink network. So primarily it has been rail operations, a bit of bus operation, but it has been a mix of very high frequency metro operation and heavy rail.

How does it compare? The big difference is that the TTC operates a multi-modal system. It's quite unusual in that respect, in that we operate bus, subway, streetcar, SRT—in Scarborough, obviously—and Wheel-Trans. That is all one company, using transfers within a paid area, in multi-modal interchanges.

I have to say, I think people probably don't realize how lucky they are to have that system. I think fundamentally it's still a very good system. The actual fundamental design is really good.

Having said that, compared to other cities, compared to other big cities—I'd cite London and Paris as two examples—the provision of high-density subway networks is very, very low compared to other systems that I've worked in. It's good that, in conjunction with the province, we're expanding the LRT system to pick up major arterials, but in my professional opinion we also urgently need to tackle subway capacity.

Mr. Vic Dhillon: So based on your experience in other jurisdictions, what do you feel needs to be done to improve service with the TTC?

Mr. Andy Byford: I think, as I said, we certainly need to expand capacity in terms of the means by which

we move high numbers of people, particularly in the peak hours, in the main directions of traffic, or the main flow directions. So the Yonge line, albeit we can expand capacity a bit with automatic train control and with the rocket trains which are being rolled out, is practically at capacity even now, in the peak, so we do need to add subway capacity.

I think the other huge benefit would be, between ourselves, to provide stabilized funding over a protracted period. So a 10-year stabilized—and forgive me if I use an English expression—ring-fenced funding—in other words, guaranteed funding—to provide stability and certainty of funding over a 10-year period would be a huge step forward.

I was in London a month ago on a conference, and I was speaking with my former colleagues at London Underground, who have said the single biggest thing that has helped them now totally upgrade the London Underground system, the oldest underground system in the world, has been to have secured, via local government—i.e., London government—and national government a 10-year guaranteed funding stream so that they can expand capacity and capability and actually modernize the system, even in the middle of a double-dip recession. So they absolutely know what funding they've got and they can invest with certainty. That would help us hugely.

1700

The Chair (Mr. David Oraziotti): Very briefly. Go ahead.

Mr. Vic Dhillon: As you mentioned about your previous position, the national government was funding the transit system. Do you feel that the federal government should be funding the Toronto Transit Commission, as the province is already on the hook for two thirds of the costs so far?

Mr. Andy Byford: My view would be that Toronto is pretty much the economic engine of certainly Ontario but also, to a large extent, Canada. I would hope that—

Interjection.

Mr. Andy Byford: Sorry. Yes, of course; Alberta. Bear in mind, I'm not from here. Alberta clearly is also an economic driver.

I would have thought that a sensible funding mix would be a mix of city, provincial and federal funding, to recognize the fact that if Toronto works, Ontario works.

The Chair (Mr. David Oraziotti): Thank you. That's time for questions, Mr. Dhillon. We're going to move on to the next caucus.

Conservative caucus: Mr. O'Toole.

Mr. John O'Toole: I don't mean this cynically, but welcome to Canada. I have two daughters who live in London, and I'm quite familiar with the wonderful subway system they have there.

I have a couple of questions. I like the new governance model, where the TTC doesn't run Metrolinx. I hate to tell you that, but I think that's allowed them to get the Presto card and all that stuff going. We need central governance, if you're going to have a central system.

This article here: "TTC, Metrolinx: "Give Us Transit, Not Excuses"—it's a good article. It's forecasting that the new Transit City plan, on Eglinton or wherever it is, is going to cost more and take longer. Do you agree? Do you think the paper is wrong? Are you going to come in on time and on budget? And would you put your job on the line?

Mr. Andy Byford: The provenance—

Interjection.

Mr. John O'Toole: No, it's fair.

Mr. Andy Byford: No, that's okay. The provenance of that article will be from the independent study that we had commissioned by the American passenger transit association. The reason we asked them to come in was because I was very keen to make sure that we were not being under-ambitious in our time scales or overly cautious. We asked them, as independent peer reviewers, to look at what we had concluded was a potential risk on budget and also on schedule.

Having said that—

Mr. John O'Toole: Yes, well, I've got a couple—

Mr. Andy Byford: Having said that, if I might just answer, I would be the happiest man in the world, as chief executive of the TTC, to be completely proven wrong. I really want to get these LRTs built. What I said very clearly at the commission meeting was that we're flagging concerns. However, the decision has been made, so I can guarantee you that I am all-out co-operating with Metrolinx to get these lines built.

Mr. John O'Toole: I followed the Transit City argument, and you're moving ahead—good for you.

A couple of questions: What's the budget for the TTC? I could probably look this up, but you could give it to me.

Mr. Andy Byford: Which budget do you mean?

Mr. John O'Toole: The budget for the TTC: capital and operating.

Mr. Andy Byford: The annual budget for capital is around \$5 billion. The annual operating budget is \$1.5 billion.

Mr. John O'Toole: So it's about \$6.5 billion. What's your fare box revenue? What's the percentage of revenue from the fare box?

Mr. Andy Byford: The percentage is unusual, actually, in that we're 70% covered by fare box; 30%, subsidy, which is the exact inverse of, say, Sydney.

Mr. John O'Toole: That's actually pretty good.

You want stabilized funding. What does that mean? Under the current delivery model or under some future delivery model? Have you got some idea of what you want? We know the Big Move wants \$2 billion more per year—perhaps a billion. Would that include capital?

Mr. Andy Byford: I think it would depend on what we're aiming to do. Obviously, the funding envelope will be as big as we collectively want to expand the system. It was less around the quantum I was referring to; it's more about the certainty. In any big business, you would not make business decisions based upon almost a hand-to-mouth, year-on-year budget. You would have certainty about what your funding was, going forward, and

therefore you could make investment decisions with confidence. That—

Mr. John O'Toole: I guess the other thing is—

The Chair (Mr. David Orazietti): Sorry, that's the time for the Conservative caucus.

NDP caucus: Mr. Schein, go ahead.

Mr. Jonah Schein: Welcome to town. It's nice to have you here, and thanks for the presentation.

Actually, I have a follow-up question to the question that Mr. O'Toole was asking, and it has to do with the timeliness of the Eglinton LRT. There has been, as we know, an independent study saying that it looks like it might be behind schedule.

Part of that looks like it might be because Metrolinx has committed to a P3 model, a public-private partnership. It won't actually start building until 2014 because they're waiting for that bid to go out. Do you have any concerns about the model that they're using to build?

Mr. Andy Byford: Sure. It's not to say that it's definite. What we were doing was flagging, in our professional opinion, what we believe is—it's not impossible, but we were saying that it's highly challenging. The main concern we had and have, notwithstanding the direction to proceed now—and I've just made the case to your colleague that we will fully cooperate, obviously—the main concern was that if you don't actually start the construction until 2014 because you're having to do this exercise to garner private investment, if you're starting there but you've got a declared deadline of 2020, that pretty much compresses the construction, start to finish, into four years, which we believe, but also we asserted, is really going for it, and that would necessitate a huge disruption along Eglinton Avenue.

Now, to be fair to Metrolinx, they don't agree with that. Their view is that it can be done, and given the commission's direction the other day, as far as I'm concerned the debate is over. We now fully cooperate with Metrolinx to make that happen.

Mr. Jonah Schein: But in your view, is there not a better model that would allow construction to begin immediately and avoid that gridlock?

Mr. Andy Byford: Well, the paper that we submitted to the commission argued that the TTC model—which has been somewhat misreported as only the TTC way. What we proposed was that it should be a hybrid and that we should use the P3 model for elements such as the SRT replacements, the Scarborough rapid transit replacement, and the yards—the greenfield sites, if you like—and that the TTC model should be used to actually do the line construction and the stations. We felt that was a safer means of construction. So it was never about TTC or Metrolinx; we actually proposed a hybrid.

The way I look at it, though, is that we are where we are, the decision has been made to proceed in the way that was announced at the commission the other day, and I am fully engaged with Metrolinx to do that.

Mr. Jonah Schein: Thanks—and I'll be very brief because my colleague wants to get in. We heard from Councillor Minnan-Wong that the operating subsidy is insufficient. Do you agree with that?

Mr. Andy Byford: Well, certainly, going forward, because we're now building where the new lines will be built—it's great to actually have the investment to build them, but you've then got to operate them. So absolutely, there needs to be more operating budget assigned to reflect the fact that the actual network will be bigger. I agree.

Mr. Rosario Marchese: A quick statement and then a quick question. It would be wonderful, and I agree with you, to have predictability, and it would be great to have the province and the federal government commit to a steady flow of funds on a year-to-year basis, rather than relying on the mercy of a nice government, provincially or federally, for funding. It's a shame that we have to go year by year, in terms of unpredictability and what we're going to get.

I want to talk locally about a problem I have in the area. My riding is Trinity-Spadina, right downtown, where condominiums have been going up every day like wild mushrooms. I have a quote. The New Yorker writer John Seabrook once put it this way: "This is the way the world ends," he says. "Not with a bang but with a traffic jam." That's the way I see it happening in my riding. If you want to get out of the city and you've got to get to the highway on Strachan, or Dufferin, or Bathurst, or Spadina or York Street, it's just impossible and it's getting worse, and we're building more and more condominiums.

Do you have a sense of how we're going to deal with some of these, through a transit perspective, particularly along King Street, where we need to improve our street-car lines so that they go more frequently—

The Chair (Mr. David Orazietti): If there's a question, let's give him time to answer. We don't have time to keep going.

Mr. Rosario Marchese: Fine. There's the question.

Mr. Andy Byford: I reference my earlier comments, that at some point we do have to address the issue of subway construction, because that is the single most effective way of dealing, I believe, with moving the masses downtown—so a downtown relief line, probably an east-west line of some sort. But I agree with you. I've been here long enough to see the unbelievable expansion in condos; they're just going up everywhere. We will very soon have a problem around the Lakeshore because we have huge numbers of condos going up. We need to tackle that and provide transit to move the people that are going to live there. Ideally, you get the transit in before the condos open. You don't want to be playing catch-up. So for a myriad of reasons, we really do need to address this funding issue.

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The Chair (Mr. David Orazietti): Thank you very much for your presentation. That's the time we have. Thanks for coming in.

CITY OF OTTAWA

The Chair (Mr. David Orazietti): The next presentation: city of Ottawa. Good afternoon. Welcome to the

Standing Committee on General Government. We appreciate your being here today.

Ms. Schepers, I understand you just need a second to set up your PowerPoint presentation.

Ms. Nancy Schepers: While this is starting, I will take a few moments just to introduce myself. I'm Nancy Schepers. I am the deputy city manager with the city of Ottawa. I am responsible for all planning and infrastructure construction within the city of Ottawa. You have copies of my presentation.

While this is being done I could start, if you would like, Chair?

The Chair (Mr. David Orazietti): Go ahead. That would be great. When that comes on, we can just catch up with it.

Ms. Nancy Schepers: Chair and committee members, it is a pleasure to be here. I certainly welcome this opportunity to update you on the work that the city of Ottawa is doing to ensure and to secure the mobility future in Ottawa. Today I hope to provide you with an understanding of the work under way, the work to come in the immediate term, and some of the partnership opportunities we see for senior orders of government to support our transportation and land use decisions, and our vision for a successful and livable city.

We're being very prudent in Ottawa, so I got to come all by myself and use the technology, as well.

We all understand that healthy cities don't just happen. They result from good planning and sustained efforts to see those plans through. Failure to plan results in wasted money and lost opportunity that can never be recaptured.

Similarly, failure to find ways to maximize value from our investments can hurt progress. Budgets are tight, and the question of where each dollar is spent to address congestion is a real challenge. Success is critical.

So Ottawa's approach to smart growth and efficient mobility is set out through our official plan and our transportation master plan. These plans are refreshed to ensure they adapt and adjust to changing realities. In Ottawa, that review is starting now and by the end of 2013 will be complete.

In our last planning refresh in 2008, we set out to increase the proportion of people travelling by transit in the morning peak from 23% in 2005 to 30% by 2031. Our goals were, of course, not limited to transit, but included increases in other modes of transportation, like cycling and walking, as well as working to limit the peak demand. Transportation systems are, in some ways, like electrical power systems. For both, peak demand drives system planning because failure to meet its strain causes the system to fail. Avoiding system failure and moving people efficiently is as much a quality of life issue as it is key to our local economy. People and assets stuck in traffic are not productive. When I see traffic congestion, I see frustrated people, but I also see a terrible waste of money.

When it comes to our ability to address congestion, Ottawa is well positioned to achieve significant success.

Our average commute is 7.8 kilometres, which is quite something, given our size, stretching 90 kilometres from east to west. We have seen an approximate 20% increase in annual transit ridership over the last decade and we have the highest level of commutes by bike in Canada, despite the weather.

In this vein, the city of Ottawa has a focused plan to maximize mobility. We are, first and foremost, growing transit ridership through investments in better and more reliable service; balancing investment in all modes of transportation, with strategic expansion of the road, cycling, and pedestrian network; and, finally, partnering with our commuters by getting them better, real-time information they can use to avoid peak hour congestion and work around snags that will occur even in the best traffic networks.

Here's a powerful fact that underscores how important investing in transit is to our future: With the same, dedicated, three-and-a-half-metre strip of land, you can move 2,000 people an hour in cars or you can move 22,000 people an hour on rail transit.

We are proud of the fact that Ottawa is well known around the world for its innovative bus rapid transitway system. It has allowed for efficient transportation planning, from the outer suburbs into the core, and has been internationally recognized for its success. As a bus-based system, our transitway and transit priority lanes provide a reliable, fast and cost-effective alternative to the automobile. Many of these transit priority lanes are on highways—the key benefit of productive, strategic co-operation with our provincial partners.

Ottawa has one of the highest levels of public transit use for a city our size in North America. This is the result of both partnership and planning. Today, the city of Ottawa, as the planning authority for land use and transportation, continues to make the decisions we need to ensure continued success long-term.

Even in the earliest planning of the transitway system, it was recognized that meeting future ridership demand was going to require a tunnel through the downtown. That time is now.

1720

As more than 180 buses an hour per direction course through our downtown on dedicated lanes, they carry more than 9,000 passengers each way to meet demand at peak. But we have reached our limit. Now adding extra buses simply slows every other bus down. A picture speaks 1,000 words, and this next slide illustrates our current situation well. It is a reality I see every day from my office window.

What you see in front of you is the result of 14 sets of traffic lights and the need to wait for north-south traffic through the core. While our traffic engineers have done a miraculous job of optimizing the signal timing to allow 180 buses an hour in each direction to navigate in mixed traffic through our downtown on dedicated lanes, I'm sure you can imagine the effect of any traffic incident on a downtown street. Any glitch causes backups, slowdowns and dramatic drops in system productivity. Any

effort to manage congestion that does not address the downtown bottleneck is doomed to failure.

Fortunately, with \$600 million in strategic investment from the provincial government and \$600 million from our federal partners, combined with \$900 million from the city itself, we are tackling the downtown bottleneck with our new light rail transit investment. Transit is our city's number one priority. We have advanced several transit investments as part of the infrastructure stimulus program, in particular the southwest transitway extension to Barrhaven Town Centre and the Baseline Station upgrades, which were built in concert with the Algonquin College trade centre building. We're fortunate in that we were well along in the planning of those projects when the stimulus program came up, which allowed us to implement them within the strict time frames that were dictated in that program.

What we need now is a sustained commitment from our partners, because providing reliable transit is a long-term plan with long-term needs that outstrip the capacity of a property tax base.

This graphic that you see in front of you here shows the current transit investment priority for the city of Ottawa. It is shown in yellow on this map and is essentially a conversion of our existing bus rapid transit to fully segregated rail service from Tunney's Pasture in the west to Blair Road in the east, with the inclusion of a tunnel through the downtown bottleneck. As you can see, this project will form the backbone of our transit system, freeing transit from congestion in the downtown core. The project is 12 kilometres in length and includes 13 stations and is geared to service the city's growth and realize productivity gains for transit.

I will also draw your attention to the red line. That is the current O-Train system. Today, that system provides a 15-minute service. By 2014, we will be providing eight-minute service during peak, in time to assist with mobility challenges that we anticipate during construction of the LRT line.

We are following best practices in the competition to build Ottawa's new light rail transit system. We have attracted the most capable firms from around the world into three impressive teams, requiring each of them to compete to design, build and maintain the system for 30 years. We will be holding the successful team's feet to fire over the next three decades by requiring up to \$400 million in financing from that team for the project. This is how the best systems in the world are built: taking full advantage of private innovation and demanding accountability for performance over the long term to ensure best value for our mutual taxpayers.

As with any major construction project of this scale, an important consideration is how mobility will be managed during the construction period. The city approached the government of Ontario with a request to accelerate and integrate its plans to the widening of the 417 between Nicholas and what is known by Ottawa residents as the split, where Highways 174 and 417 diverge. The section to be widened is shown in the shaded area that you can

see highlighted on the screen. I know it's difficult to see, but as a point of reference, the current transitway parallels the highway and is shown in red.

I am pleased that Minister Chiarelli and the government were quick to understand the benefits of moving together to link projects. As a result, the widened lanes will be built as one bundled project, enabling the competing teams to fully integrate the projects in their proposals and take responsibility that both project schedules align. The extra lanes will provide an alternative corridor for the bus rapid transit system while that section of the transitway is converted to rail so that transit service can be maintained through seamless coordination of works on the 417 in combination with the LRT.

At the same time, the city will be aggressively pursuing both traffic system and transportation demand management initiatives to flatten the peak demand, and this progress will benefit the construction and pay lasting dividends. Ottawa is looking to the example set by Calgary's work shift program, as reductions in peak demand can be achieved simply by engaging businesses and institutions in allowing their employees to work differently. In the interim, the city has initiated an aggressive asset renewal program called Ottawa on the Move to help maximize our existing transportation system during construction.

As you may know, Ottawa and the province work together on ensuring vehicle traffic flows well on our road network. The city operates a state-of-the-art traffic control centre. A traffic incident management group with representation from MTO coordinates the response to unforeseen incidents to minimize disruption from accidents throughout the transportation network. A network of over 180 traffic cameras reports in to the one control centre with one integrated management team. We're now implementing a traveller information system to get that real-time information into the hands of residents through variable message signs, the Internet, and social and conventional media. This real-time information will allow residents and businesses to better plan their commutes or choose not to travel at all.

The Chair (Mr. David Oraziatti): We're a little bit over time, and I know you had a little bit of set-up, so if you want to just take a minute and see if you can—

Ms. Nancy Schepers: Okay. I'm almost finished.

The Chair (Mr. David Oraziatti): That would be great. Thank you.

Ms. Nancy Schepers: As part of updating its transportation master plan and official plan, priorities will be established for future investment needs that will in part drive Ottawa's development charges bylaw review in 2014.

There are many ways that the province of Ontario can contribute to supporting Ottawa in delivering on our transportation plans. You can help by:

—renewing your commitment, more vital than anything else, to provide one third funding for public transit infrastructure. We simply cannot afford to build what is needed unless you do so;

—revising the policy on DCs around the collection to support transit; for example, the non-statutory exemptions and the non-residential discounting policy. To be clear, this does not mean increasing the total collected, just rebalancing how they are apportioned. We also would like to explore calculating DC charges based on planned spending rather than historical spending in order to meet future infrastructure needs;

—working closely with your municipal partners to step up with integrated solutions that use all the new technology tools to provide a complete picture of municipal and provincial traffic;

—installing changeable message signs early in construction programs so they can contribute to traffic management as we improve infrastructure; and

—ensuring provincial funding models are flexible enough to allow us to target priority transit investment.

Finally, I want to thank you for your interest in Ottawa's mobility future. I know that we are all committed to the goals I've discussed today, and I look forward to working with you over the coming years to continue to turn good planning into practical realities in the capital.

I'm pleased to take questions.

The Chair (Mr. David Orazietti): Thank you very much for your presentation. The Conservatives are up first. Mr. MacLaren, go ahead.

Mr. Jack MacLaren: Ms. Schepers, in planning for transportation, have you worked with Gatineau to coordinate their needs? Because there's an awful lot of people from Gatineau and Hull who go back and forth by car or public transit to work, and play too.

Ms. Nancy Schepers: We do work very closely with Gatineau, and in fact, in preparation for our transportation master plan update, the origin-destination work that we do is done completely seamlessly with them so that we all share the same picture of where people's origin and destination is. That assists us in terms of the overall planning for meeting those needs.

Secondly, clearly, within the transit system, we are in the process of doing an integrated transit plan. Our priority project does envision that it would be able to capably handle STO passengers, so again, we're working together with them on that, as well as short-term operational improvements and, of course, with Quebec and Ontario, working towards a new interprovincial bridge.

Mr. Jack MacLaren: Have you also considered in your transportation planning the people who travel from the rural areas into Ottawa? Because there's quite a number of them who work downtown. And especially your new light rail system—has some consideration been given, at the ends of the rail transportation system, to pick up these people by bus or parking area or whatever?

Ms. Nancy Schepers: By all means. In terms of the rural area, we understand the full origin-destination for the entire city, which includes the rural area, and you will note that we do have a number of park-and-rides, and they typically tend to be closer to the rural areas. That would encourage rural folks to certainly park and ride. In addition, transit does free up space on the highway, and it's good for all citizens of Ottawa.

The Chair (Mr. David Orazietti): Thank you. That's—

Mr. Jack MacLaren: One more.

The Chair (Mr. David Orazietti): Sorry, Mr. MacLaren, we need to move on. It's time—

Mr. Jack MacLaren: Just a question. I'll be very quick.

The Chair (Mr. David Orazietti): Very quick. If this is important to you, very quickly.

Mr. Jack MacLaren: It is. Thank you.

You're going to be using the Presto card system, I understand, in Ottawa. Is it going to be compatible with the card system that Gatineau has for their transportation system?

Ms. Nancy Schepers: I understand that there will be interoperability. We already do that with STO today, in terms of being able to transfer from one system to the other seamlessly.

The Chair (Mr. David Orazietti): Thank you.

NDP caucus: Mr. Schein, go ahead.

Mr. Jonah Schein: I'm not sure if I heard you correctly, but I thought that you were saying something about trying to change the peak times by having people work at home. Is that correct, and could you elaborate on that?

Ms. Nancy Schepers: Council has just adopted a transportation demand management strategy, and there are a number of different elements to that. Part of that is trying to encourage people to work from home or time-shift their work, talk to universities to potentially start classes later, different things that we can do to flatten the peak.

Mr. Jonah Schein: That's just in the study phase right now? That hasn't been implemented?

Ms. Nancy Schepers: No. It has been approved, and we are moving aggressively to implementation.

Mr. Jonah Schein: That's new.

The other thing is that you also spoke about that you have set targets and timelines for increasing cycling and walking in Ottawa—is that correct?

Ms. Nancy Schepers: The transportation master plan does set goals with respect to modal share with cycling and pedestrian and transit. They will be updated as part of our refresh in 2013.

Mr. Jonah Schein: And do you feel like you're on target? Are you going to hit those targets, do you think?

Ms. Nancy Schepers: We have to—I mentioned to you that we are the highest cycling in North America, so I would say that we are doing extremely well. We have a number of projects that are on the books that will certainly support the cycling network and pedestrian network, both. With respect to our transit modal share, with the growth in ridership we are experiencing, I would say yes.

Mr. Jonah Schein: Thank you.

The Chair (Mr. David Orazietti): Liberal caucus: Mr. Naqvi, go ahead.

Mr. Yasir Naqvi: First of all, Ms. Schepers, thank you very much for coming down to Toronto for this

presentation, and through you, I want to thank the leadership of Mayor Watson, the council and the staff on public transit in Ottawa. I think we've come a long way and we're going in the right direction.

One area that you mentioned just earlier on in your introduction that I wanted you to highlight for the members of the committee is around the steps the city is taking as it relates to the alternative modes of transportation: biking, walking and other modes. What's the vision there, and what are a few of the specific things that you have been doing in Ottawa?

Ms. Nancy Schepers: Thank you very much for the question. This time around, when we update the transportation master plan, we will do it in concert with the pedestrian and the cycling plan, so they will be all done together.

We have a number of initiatives under way. I mentioned Ottawa on the Move. We are able to accelerate a number of overdue renewal investments in our road system, and at the time, we're also looking at cycling gaps. There's a number of sections of cycling network in particular where gaps exist that we will be able to invest in. Again, it will support us when we get to our construction program, where that will be a much safer and more acceptable alternative.

We have several environmental assessments for pedestrian bridges that are under way. We have design under way for another pedestrian bridge across the Rideau River. We have experienced a lot of successes, as you know, with the Somerset Bridge over the Canal in terms of the usage and the numbers. So there's a number of things. We also have the first fully segregated bike lane in Canada, and our numbers are far exceeding our expectations. We're exceeding 2,500 a day right now which, for being this early in the game, is really exceptional.

The Chair (Mr. David Oraziotti): Thank you very much for coming in for your presentation. That's the time we have today.

Ms. Nancy Schepers: Thank you.

KAPSCH TRAFFICOM

The Chair (Mr. David Oraziotti): Okay, folks. The last presentation of the day: Kapsch TrafficCom. Where's Paul? All right, good stuff. Welcome to the Standing Committee on General Government.

Mr. Paul Manuel: Thank you, Mr. Chairman. My name is Paul Manuel, and I represent Kapsch TrafficCom. Good afternoon, everyone. Thank you for giving me the opportunity to speak on the issue of traffic congestion in Ontario. Needless to say—

The Chair (Mr. David Oraziotti): Sorry, just before you get started, as you're aware, you've got 10 minutes for your presentation. Time you don't use will be divided among members to ask questions. We've got five minutes for questions divided among the caucuses after you're finished. Thank you very much, and go ahead with your presentation.

Mr. Paul Manuel: Thank you, Mr. Chairman. As I was saying, many of you are already aware that the gridlock problem has reached a point where it's drastically affecting the economy, the environment and everyday life.

Kapsch TrafficCom is an intelligent traffic and tolling technology provider based in Mississauga. The company develops and delivers primarily electronic toll collection systems, especially for multi-lane free-flow traffic, and offers technical and commercial operation of these systems. In addition, we offer traffic management solutions focused on safety and control, electronic access systems and parking management systems. We design and manufacture tolling technology for the Highway 407 ETR here in Ontario, as well as the entire E-ZPass system that you may have heard of in the United States, with 22 million users. Kapsch is a world-leading supplier of end-to-end tolling solutions in many countries, including very large national systems.

Our expertise in these areas has provided an in-depth understanding of the damaging effects of gridlock. Gridlock on Ontario's roads is becoming increasingly detrimental to the environment, to the economy and to people's quality of life. One of the main examples of this is the bottlenecks within Toronto at the interchanges of 400-series highways.

The millions of hours Ontarians spend each year in traffic have significant economic and personal repercussions. In the GTA, the average commuter is spending 80 minutes stuck in traffic, taking away from both their jobs and their families.

It also has a drastic impact on businesses in the Toronto area. As the Toronto Board of Trade noted last year, gridlock cost the local economy a staggering \$6 billion in lost productivity. Compounding these issues is the fact that governments don't have the funds to pay for new infrastructure.

As part of the effort to tame the provincial deficit, Ontario Finance Minister Dwight Duncan announced a series of measures that include reducing transportation infrastructure spending and deferring some significant highway improvements. With all governments in deficit-fighting mode, it does not bode well for addressing the infrastructure deficit.

The problem has also been identified by experts in the field. A study of 25 global metropolises commissioned by Siemens Canada identified solving transportation issues as the number one priority for a global city.

1740

Specifically for Canada, over 60% of experts identified transportation infrastructure as the most important factor in attracting investment in Canadian cities, with 90% of these experts naming transportation infrastructure as being the most in need of investment over the next five to 10 years. The state of Ontario's transportation infrastructure is quickly becoming its biggest impediment to competing on a global stage.

The problem has been identified over and over again, but there are solutions. The technology Kapsch designs

has major implications for how governments deal with easing gridlock. Intelligent traffic technology for urban environments is increasingly regarded by traffic and city planners as a necessary instrument to reduce congestion, regulate traffic volume and traffic flow, reduce wasted fuel and reduce harmful emissions.

Infrastructure projects carry hefty price tags, but in Ontario we too often ignore the possibility of using our transportation infrastructure as a tool for creating new streams of revenue to fund these projects. By tolling new highway or road projects, governments will have the capability to pay for construction and generate more revenue for general operations and maintenance.

We also need to consider adding capacity to existing public highways and paying for those upgrades through road user fees for the use of those specific new lanes. It is a system, used in several other jurisdictions, called managed lanes, and the technology exists to make it work smoothly and accurately.

Road tolls also benefit the average motorist. Every driver has a stake in congestion-free, well-maintained roads. According to the International Bridge, Tunnel and Turnpike Association, there's no such thing as a free road. But tolls have more benefit to motorists than, say, gas taxes. When we fill up at a gas station, those revenues can be used for a variety of infrastructure projects, and not just roads and road improvements. Tolls can directly improve the driving experience, getting us home faster. Where road user fees are directed to mass transit, everyone benefits by having less cars on our roads.

In the greater Toronto area, we can always use additional road lanes to alleviate congestion. One example of using tolls to benefit drivers is to turn Ontario's 450 planned kilometres of high-occupancy vehicle lanes to high-occupancy toll lanes, or HOT lanes. This allows a single occupant commuter to enter the HOV lane by volunteering to pay a toll.

In our eyes there are only two real options: no new highways and transit and the continued problem of gridlock, or we reduce gridlock by building more transportation capacity and using it to raise new revenues.

While tolls tend to temper traffic on tolled facilities, the same technology can be used for light infrastructure traffic monitoring and traffic management. With information of passing toll transponders, a transportation authority can shape road-building and maintenance priorities. Ontario already employs a number of traffic monitoring techniques such as loops and other vehicle counting technologies, but they only provide high-level volumes and do not reveal the travel patterns that are critical to a better understanding of vehicle routings. Adding transponders and additional video monitoring would be an economical way to monitor traffic at new sites in our region.

These technologies also have the ability to help reduce harmful carbon emissions. There are several studies showing that intelligent transportation systems, ITS, and particularly electronic toll systems, reduce vehicle emissions. By reducing the stopping and the starting of

vehicles and making roadways more free-flowing, carbon emissions are reduced.

Many urban areas around the globe employ tolls. While bridges and tunnels are typical tolled locations, cities such as Singapore, Stockholm and London, England are just a few of the high-profile sites where tolls are collected in urban environments. Interurban tolls are also a fact of life in the northeastern United States.

Kapsch employs tolling technology on highway systems around the world: Melbourne, Australia; Poland; Austria; Chile; the Czech Republic; Switzerland; Mexico; and all over the United States. These are only a few of the examples, because we have over 250 installations in 41 countries, with 17,000 lanes equipped with tolling technology, and—it's not shown in writing—more than 58 million transponder-equipped users worldwide.

Electronic toll collection is a common and rapidly expanding option for regions around the globe facing congestion issues.

As I've just demonstrated, road tolls are not only common throughout other parts of the world, they're essential to controlling traffic congestion and raising funding for transportation infrastructure.

In Canada, politicians have been less inclined to discuss intelligent traffic technology as a potential solution to congestion woes. Maybe this is because they believe the public is opposed, and in the past that would be right to assume. However, many recent studies have shown that the public is beginning to support the idea of toll roads.

For example, a survey by Environics Research showed that nine out of 10 people in Toronto and the surrounding region think that congestion has reached "crisis proportions," and they're willing to consider radical solutions to gridlock. A majority would even support the construction of an underground pay-as-you-go option under the Gardiner Expressway.

When people understand the benefits of tolled roads to them directly, they tend to be more supportive of tolls, but there has to be a net gain for them personally. For example, if new lanes were added to Highway 401 and they were tolled, people would accept it as long as they still had access to the free lanes. They will accept it if they have a choice, if they still have a free alternative, and provided that none of the existing free lanes are taken away.

Highway 407 is a great example. It's a less-congested alternative to the Highway 401 corridor, and people have the choice of paying to travel that route or to deal with gridlock and stay on the 401. There has been little public backlash to the notion that the Highway 407 eastern extension through Durham region will be tolled, at least for the reason that people who do not wish to pay the toll have the choice to remain on the 401.

Thank you for allowing me the opportunity to speak to you about these issues. I hope my presentation has given you a glimpse of some of the existing solutions to gridlock. Are there any questions?

The Chair (Mr. David Oraziotti): Thank you very much for your presentation. The NDP caucus is up first. Mr. Marchese, go ahead.

Mr. Rosario Marchese: Thank you, Mr. Manuel, for the presentation. Can I ask you one question? You're interested in getting cars off the road, too, with your technology. Would you support a provincial sales tax of a quarter per cent or half a per cent or 1% as a way of raising money to build transit infrastructure across the province, which is what we desperately need? Would that be an equally good solution for you?

Mr. Paul Manuel: I believe that road tolls are not a panacea to solve all transportation funding issues, and by the same token, the alternative that you suggest, on its own, is perhaps not the best alternative—and this is just a personal opinion. Kapsch is not expert in this, but my personal opinion is that you need a mix of these solutions, as described by the Toronto Board of Trade funding the Big Move. There are parking fees, cordon access fees to the central business districts, road tolls or a variety of user fees and taxes.

Mr. Rosario Marchese: So you're suggesting that the province uses all of these options, including the technology that you're connected to?

Mr. Paul Manuel: A selection of them, yes, sir.

Mr. Rosario Marchese: Thank you.

The Chair (Mr. David Oraziotti): Liberal caucus: Mr. Dhillon, go ahead.

Mr. Vic Dhillon: Thank you for your presentation. Are there any other jurisdictions in Canada, other than Ontario, looking at setting up a toll system?

Mr. Paul Manuel: Well, there are toll roads in other regions of Canada. As a matter of fact, there's one being deployed right now on the Port Mann Bridge connecting Vancouver to the inland areas on route 1. That's an active project I happen to know about. There are an awful lot of tolls associated with bridge facilities—not necessarily in an area like ours, where there are no distinguishing physical features where you have to build infrastructure to cross a gap, at least where they don't exist today, and so it's less obvious that we need tolling in this area. But we do need to fund infrastructure. There are plenty of examples of toll facilities in Canada, and ones that are under way, mostly associated with things like bridges.

Mr. Vic Dhillon: How is your technology different from other companies'?

Mr. Paul Manuel: We have a very high-performance system designed for open-road multiple lanes, which is what you see on Highway 407. For example, if you were on Highway 407, some of the virtual toll gantries are designed for very high-speed traffic, and it's a measure of the performance of the system. There are other systems in the world that don't have that kind of capability. We use a certain type of technology, called active technology, that allows certain capabilities, and not all of the technologies are created equal.

Kapsch internationally provides technology of different types to different regions of the world. Transponders are using radio spectrum that is regulated by the federal

governments of each country, so technologies have been adapted for each of the regions of world. Here in Ontario, we use certain Industry Canada radio spectrum rules, and the product that Kapsch manufactures in Mississauga and supplies to the 407 meets all those requirements and still delivers the very high performance that the 407 demands.

Mr. Vic Dhillon: Okay, thank you.

The Chair (Mr. David Oraziotti): Thanks. Conservative caucus: Mr. Smith, go ahead.

Mr. Todd Smith: Thank you for the presentation. We've heard from all kinds of different presenters here today. They all want money: \$2 billion for the Big Move from Metrolinx, and \$2 billion for the TTC. We don't know exactly what the number would be to solve the problem in the Ottawa area, but I'm guessing probably \$2 billion; that seems to be the theme.

Have you studied actually how much money could be generated—do you have any estimates as to how much money could be generated by putting tolls up in the GTA?

Mr. Paul Manuel: In my recollection, from the Toronto Board of Trade document "Funding 'The Big Move,'" they talked about covering the shortfall in the Metrolinx \$25-billion plan by applying a road toll of 10 cents per kilometre on all the 400-series highways, the DVP and the Gardiner. As I stated previously, my personal view is that that's not the panacea. We need to look at different ways of funding.

But in the information package, the one that's bound, I'd like to draw your attention to page 19, which is the toll revenue generated by the E-ZPass Interagency Group in the northeastern United States, for which Kapsch is the exclusive supplier. This is a group of 24 toll agencies across 14 states. They're the largest interoperable toll system in the world. Just to put it into perspective, they have about 3,500 toll lanes and 22 million users. Their annual toll generation from electronic tolling is about US\$4.7 billion a year. It's the largest group of tolling in the world, actually, and in the northeastern United States, that is the amount that they're generating.

Those tolls range across all the agencies. They don't have harmonized toll rates per distance travelled. It's all over the place. It might be \$10 to cross through a toll gate to get into New York, for example, and it might be 25 cents to pass through a similar gate in an interurban environment. It's all over the place. But just to give you a perspective, they're talking anywhere in the order of \$4 billion to \$7 billion or so per year in revenue from all of the northeastern United States. We're looking for a lot more than that. So we need other solutions, and this is part of it.

Mr. Todd Smith: Thanks very much.

The Chair (Mr. David Oraziotti): Thank you very much. That's time for your presentation. We appreciate your coming in today.

Mr. Paul Manuel: Thank you, Mr. Chair and committee.

The Chair (Mr. David Oraziotti): Folks, the committee is adjourned.

The committee adjourned at 1755.

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Standing Committee on General Government

Traffic congestion

Comité permanent des affaires gouvernementales

Congestion routière



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STANDING COMMITTEE ON
GENERAL GOVERNMENTCOMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES

Wednesday 6 June 2012

Mercredi 6 juin 2012

The committee met at 1623 in room 228.

TRAFFIC CONGESTION

The Chair (Mr. David Oraziotti): Okay, folks, let's get started.

RESIDENTIAL AND CIVIL
CONSTRUCTION ALLIANCE OF ONTARIO

The Chair (Mr. David Oraziotti): Our first presentation: Residential and Civil Construction Alliance of Ontario. Good afternoon. Welcome to the Standing Committee on General Government. As you're aware, you've got 10 minutes for your presentation. Any time you don't use will be divided among members for questions. We've got about five minutes for questions. You can simply state your name and start when you're ready. Thanks.

Mr. Andy Manahan: Thank you very much, Mr. Chair. My name is Andy Manahan. I'm the executive director of the Residential and Civil Construction Alliance of Ontario. I don't have a slide show. What I do have, you'll see in front of you, are these blue wristbands. It's a USB and it contains 19 of our major reports. If you want more AV, I guess you can hum in your head your favourite car song—Crosstown Traffic, Baby You Can Drive My Car, Truckin', whatever you want. We'll just leave it at that.

I think most of you know about RCCAO. We were formed in 2005. It's a labour-management alliance. We have five contractor associations and four construction unions, and that's listed in front of you.

A lot of what we have done over the last five to six years is commissioned reports on transportation funding, regional transit governance, environmental assessment for transit projects, optimum levels of public infrastructure investment. Earlier this year, we submitted our response on MTO's transit-supportive guidelines. These reports and a few others are available on our website, as well as this USB.

Beyond studies, we have supported Transport Futures. In fact, there was a Transport Futures event last Thursday at the Metropolitan Hotel in Toronto that addressed goods movement and mobility pricing. Many of these conferences have looked at alternative means to finance transit expansion and manage demand.

We've also supported the University of Toronto Cities Centre to develop better travel demand forecasting models for the GTHA, and very recently we partnered

with the Ministry of Transportation and the Ontario Good Roads Association on a pilot project in Wellington county to look at bundling of bridges to facilitate faster and more cost-effective evaluation and rehabilitation.

Gridlock is very important. I think it's so topical that every time someone mentions it in the media, it elicits all sorts of calls to talk shows and everything else. It does appear to be controversial. People do care about gridlock and their quality of life. I think that job creation is important to our sector, but it's also important to society as a whole in terms of trying to deal with gridlock. There are many global cities around the world that have made major investments in infrastructure, and if we don't keep pace and do even better than they are, I think that's going to put us in the back seat, so to speak, in terms of our economic and social prosperity in the future.

Just to touch on a few of the reasons why this is very important, we're one of the fastest-growing jurisdictions in North America. You've probably heard this already: We have more condominiums under construction in Toronto than the three largest North American cities combined. I think there are approximately 185 cranes in the skyline right now.

We are critically dependent on the movement of goods and services. We're an export-dependent economy in the province. Road links to the border are essential for trade, and so are the links between the cities and the various regions. I know this particular committee is looking at the Toronto region and Ottawa, but of course there are many others: northern Ontario linkages and everything else. It's all connected, so we shouldn't really be focusing on just one area, but this is certainly an important area.

The lost productivity due to gridlock: The Toronto Board of Trade, based on an OECD report, estimates that the cost of reduced productivity due to gridlock is about \$6 billion per year. So unless alternative transportation policies are developed, the losses across the province will rise dramatically in the coming year.

The fourth reason is that health and environmental effects of gridlock are considerable. I don't think I need to go into any great detail, but greenhouse gas emissions as well as the stress of driving and idling, which results in more pollution and slower traffic, are all connected issues.

To a certain degree, road congestion is a sign of success in that the highest-ranked cities in the world all have

this phenomenon, but there comes a tipping point where too much congestion becomes a drag on the provincial economy. When commute times in this region are projected to worsen by 45% in 2031, we are clearly headed for a serious dysfunction unless appropriate investments are made.

I should mention that at the very back of this presentation there are some opinion pieces and other press releases. Our association, I guess, has been writing about how important funding is for at least the last five years. There is a presentation at 5 o'clock by the CAA. This is from November 2009, where I'm talking on the pro side of road tolls. CAA, at that time, was against tolls. I think you'll be hearing in less than an hour that the CAA's position has evolved over that time. I don't want to steal their thunder, but I just thought I'd point you to that.

We have a number of approaches that we would like to see taken. One is a consistent long-term commitment to funding necessary infrastructure. First of all, we would like to commend the government on the steps it has taken to make more strategic infrastructure investments: for example, ReNew Ontario; the linking of Places to Grow and the creation of Metrolinx, which results in better regional land use and transportation planning; the establishment of a 10-year infrastructure plan, which I do know is supported by all parties based on the surveys we've sent to all three main parties and the Green Party last summer before the election. Then, more recently, this year, the 2012 budget recommitted to the three-year, \$35-billion infrastructure plan.

Since the early years of the new millennium, the Ontario government has moved from spending approximately \$2 billion per year on infrastructure to an average of about \$11 billion, and a peak of \$14 billion during the stimulus program a couple of years ago. We believe there is room for improvement, and we do need more detailing of what the projects are to make it more transparent so our industry and others can provide some meaningful feedback to make the programs more accountable.

In December of last year, we released a report, *Public Infrastructure Investment in Ontario: The Importance of Staying the Course*, and I think we were heeded, based on the 2012 budget results. The basic message there is that we are currently spending at about 3% of GDP on infrastructure. If we do not maintain that level, we're going to slip dramatically. This is combining both new investment and maintenance. The optimal target is 5% of GDP. We're not suggesting that we can get there right away, but if you don't have better measurement and benchmarking, you're not going to meet those objectives in the longer term.

What we would like to see is more detailed information on the 10-year plan. What are the annual spending levels in the foreseeable future? Hopefully, we can get back up to \$11 billion to \$12 billion, because I think it's important based on gridlock and other issues like water and sewer infrastructure.

We would like to see an annual release of a list of all infrastructure projects completed to date and those that

are currently in the active development stages. We have some of that with Metrolinx, but we don't have it across the board.

The AFP, or alternate financing and procurement, is the second level of detail I'd like to get into. I think, based on the 10-year plan, there is increasing recognition that there is insufficient funding from traditional sources to support infrastructure investment in the transportation sector, so AFP approaches are required. In fact, earlier this year, Don Drummond and his commission recommended that there be an open, public dialogue on how best to create new revenue sources for future transportation capital needs.

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The gas tax revenue commitment to municipalities is a perfect example of the changes that occurred in attitudes in recent years. But I must point out, I think we should be cognizant around this table that there are trends such as proportionally lower revenues because of more fuel-efficient vehicles or even vehicles that are powered by electricity. We could have a dramatic impact on overall revenues for transportation purposes unless we start thinking of new revenue sources.

I've talked about some that I think are relatively easy to implement such as allowing high-occupancy toll lanes and HOV lanes. This would get people in the practice of paying for driving in a faster lane for a certain amount of money. They could be GPS-based road charges.

Basically, what we're saying is that user-pay principle approach—I think we need that sort of evolution. We do have gas taxes and things like that, but they're very blunt instruments compared to what we have.

With me right now as well is Keagan from Smart Commute—North Toronto, Vaughan. We've done a lot of work on transportation demand management such as employer van pooling. We could look at other areas as well in terms of good movement such as priority lanes for truck traffic. So I think there's a raft of really good solutions and opportunities out there.

I should add that although there seems to be this polarization because of the media portrayal of revenue tools, when you get down and do proper polling and ask people if they'd be willing to pay but point out to them the value proposition or the benefits—the Pembina Institute, and I guess Cherise is here as well, has done some great survey work. Recently, they found that 58% of GTA drivers at least moderately support tolls, sales taxes and parking fees, but that that support rose to close to 70% for pricing policies where there is a dedicated fund for building transit. Leger Marketing's recent poll suggested that half of Canadians would pay \$3 a day to pay for road tolls.

I have a feeling I'm running out of time. I've talked about streamlining of regulations and other things like that, so I'll just go to the conclusion.

Without an increase in investment, the cost to this region, from productivity as well as societal costs, will be too high. We really do need to maintain and increase transportation infrastructure investments in a planned and sustained way over the long term. That is really the only

way to tame the gridlock beast, so to speak. We look forward to working with members of all parties, because I think this is one of those things that has to be non-partisan, and we would like to work with many other organizations across the region to look at realistic solutions. I look forward to your questions.

The Chair (Mr. David Oraziotti): Thank you very much for your presentation. Good timing. Conservative caucus: Mr. O'Toole, go ahead.

Mr. John O'Toole: I'll try to share my time here. There's a couple of themes that are emerging after the first day that I thought were the argument of the war on cars and the shift to the investment in transit. That's something I'd like you to respond to.

I guess the other part is, the ask so far from Metrolinx was \$2 billion every year of new money which did not include operational increments. As well, we had another request for another \$2 billion from TTC which did not include operational components. So as a minimum, they've sucked up about \$5 billion right there in terms of the projected spending. These investments on the light rail transit and that—St. Clair, I think is an experience—what's your view on the light rail discussion and the general move to transit? Do you think we have it right?

Mr. Andy Manahan: Okay. First question on the war on cars: Our association likes to take a balanced view with respect to roads and transit, so we don't like to polarize that much. I think I made that point with respect to the goods movement piece. I think there are also missing linkages and HOV/HOT lanes across the highway network that we need to move to.

In terms of the financing, I would turn the question around entirely. Rather than the \$2 billion ask, the ask should be, let's get on to the new revenue tools so we can actually fund it. Two billion dollars per year is like a baseline. I think if you talk to the former Metrolinx board member, Paul Bedford—

Mr. John O'Toole: The Big Move is about \$50 billion.

Mr. Andy Manahan: —so \$50 billion. He's talking about \$80 billion to \$90 billion or more. I think without that, we're behind the eight ball.

I was also at a transportation forum held in Mississauga last weekend. It wasn't recorded by the media, but it was Mayor Hazel's suggestion that senior levels of government should be responsible for the capital investment and that the operating and maintenance funding should come entirely from the new revenue tool. So that was a new twist for me, and Hazel is very influential.

Finally, on the LRT versus subways, RCCAO did sign on in early February to the Cities Centre-led initiative—which was primarily academics, but many others signed on to it—saying, "Let's take a long-term, objective approach to it." Politicization in transportation planning is always going to be there, but we need to take it out a little bit.

The Chair (Mr. David Oraziotti): Okay, I have to stop you there. NDP caucus: Mr. Marchese, go ahead.

Mr. Rosario Marchese: Mr. Manahan, thank you. Clearly, cities don't have enough money to plan transit in

any way, because they rely on two things: the transit fare and property taxes. So it's just not possible.

Mr. Andy Manahan: Impossible.

Mr. Rosario Marchese: And they're all starving for cash. You did speak about the role of provincial and/or federal governments in terms of how they would raise money or could raise money so that they could contribute to a public infrastructure. You seem to speak to the idea of tolls as a way to go. Do you have an opinion on one or the other?

Mr. Andy Manahan: There are others. I guess in passing I referenced sales taxes and the other tools that the Pembina Institute had put forward. There would have to be some sort of permissive legislation for a municipality to implement that from senior levels of government, whether it's HST or what have you. I think that would be one tool in the tool box, but at this stage I don't want to say one is better than the other. I just think we need to have that mature dialogue on it.

Mr. Rosario Marchese: Sure. You're quite right. Do you worry about how certain people who need to drive may not have the money or the adequate income to be able to pay for certain revenue tools like a toll? Does that worry you, first? And, secondly, if it does, how do you deal with that?

Mr. Andy Manahan: That's certainly a concern, and there's many other concerns as well—privacy and on and on and on. I think part of what we're talking about with dynamic road pricing is how do we shift some of that peak-hour usage. Some people may have a job at their place of work, whatever it is, and they have to be there at a certain time, so some of the things we're doing with respect to transportation demand management is talking to employers to allow more flexibility, so flex time with their work—

Mr. Rosario Marchese: Sure, I understand, but a toll, for example, affects everybody equally. Do you worry about those who have modest incomes—\$30,000 or \$40,000—and have to drive to get to work and may not be able to afford it, or someone who has an income of \$100,000, or \$200,000, or \$300,000, or \$400,000, or \$500,000?

The Chair (Mr. David Oraziotti): Very briefly. That's time.

Mr. Andy Manahan: With dynamic pricing, in the future you could have systems that would have a lesser rate for people who are in dire need.

The Chair (Mr. David Oraziotti): Okay, thank you. Liberal caucus?

Mr. Vic Dhillon: Thank you very much for your presentation.

The Chair (Mr. David Oraziotti): That's the time we have. I appreciate you coming in today.

Mr. Andy Manahan: Thank you very much.

CODEREDTO

The Chair (Mr. David Oraziotti): Our next presentation is CodeRedTO, Cameron MacLeod. Mr. MacLeod, welcome to the Standing Committee on General Govern-

ment. Thanks for being here today. As you know, you've got 10 minutes for your presentation and five for questions, so simply state your name and you can start.

Mr. Cameron MacLeod: Absolutely. Thanks very much for having me. My name is Cameron MacLeod. I'm one of the cofounders of CodeRedTO. My apologies for having a presentation that many of you can't see.

In getting ready for this, I did a little bit of research into transit systems within some of your ridings, just to learn a little bit more about what your residents are facing. For example, in Mr. Smith's riding, I know that there's a specialized transit system that's been set up since 2007 for some of your physically disabled residents, which I thought was really awesome, and I bet they're pretty strapped for funds quite often.

Mr. Oraziatti, I know there's been some serious detours on Queen Street within the Soo that have actually impacted three of your bus routes. And the size of your bus system really reminded me of being in school in Fredericton. It's small-scale—one hour to wait for a bus—which really impacts those that don't have access to reliable transit or when issues happen, like someone who can't walk very far all of a sudden can't get where they need to go because Queen Street has been shut down. So I'm here to talk a little bit about improving mobility for Ontarians with rapid transit.

First off, CodeRedTO is a Toronto-centric group, and that's why I wanted to make sure I did a little research about other ridings, to learn a little bit more. We are a group of residents that advocate for transit expansion to help the most people, and to happen sooner and faster. We advocate honest, factual discussions of pros and cons and costs, and what we are actually advocating for is increased, stable, predictable funding to build and run better transit. Our website, Twitter and Facebook are on there. I wanted to stress that we are an all-volunteer organization. There are no conflicts of interest. One of our founders is actually involved with a company that is now doing business related to rapid transit, so he has actually removed himself from the group to avoid any sense of conflict of interest. I work in a technology and research company. We don't receive any funds or talking points from any political party, any organization, any group, any individual or city councillor, MPP or anything like that. We're also available to present facts like this in information sessions that you might be holding, so please don't hesitate to invite us.

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I wanted to talk a little bit more zoomed out about how we got here in terms of congestion and transit and things like that. Transit, of course, is our hobby horse. Really, there are three reasons we got here. First, we do have a congestion problem. I decided to focus on Toronto and Ottawa, which are currently suffering the most congestion-related issues around transit. In Toronto, of course, we have one of the longest daily commutes, on average, in all of North America. It's 80 minutes, round trip, these days. We don't have room for new roads, but we will have more commuters as the population grows.

Congestion really is a people thing; it's not a car thing. It's very tempting for us to think about all of those cars stuck in traffic, but really, there's more to it than that. I have some sample ridership here on this slide as well, showing you, for example, the TTC's Sheppard subway line. This actually carries about 47,000 people a day, but we also have the entire Ottawa Transitway, the OC Transpo's Transitway, which actually carries almost 50,000 people per day. We have several other bus lines which are higher and lower, but there's huge congestion in many areas and there's a huge demand. Just for comparison, the Yonge subway here in Toronto carries over 700,000 people per day, just to give you a sense of scale.

The second issue is we have a funding problem. Funding is limited. You know that; we know that. The total provincial and federal funding that was made available recently for the Metrolinx 5 in 10 light rail plan in Toronto was \$8.7 billion; I believe it's costed in 2010 dollars. The Sheppard subway expansion plan, which was rejected by city council, would have cost \$3.7 billion, but would have served a much, much smaller number of residents.

Just for comparison, over four years, Toronto's land transfer tax raises only about \$1.2 billion, and the cancelled vehicle registration tax, which was not really well supported within council and within the city, only raised about \$160 million over four years, if it had been allowed to stay. There's a lot of money there. Subways, for example, cost \$350 million or more per kilometre to build, when we're tunnelling and building stations and things like that. We're talking about big amounts of money.

The third part of the problem—and this is the one that really gets my goat—is we have an approval problem. In 1910, a referendum in Toronto passed on building a subway, and the mayor refused to approve it. He didn't like it. In 1954, the Yonge subway opened; in 1966, the Bloor-Danforth subway opened, but we've seen many problems since then as well. Toronto city council refused to extend the Scarborough RT—the experimental magnetic RT technology that's still in place right now is sort of falling apart—because it required tax increases. In 1995, a new Premier cancelled one of the planned subway developments. In 2006, a new Ottawa mayor cancelled an expansion of the O-Train. Then, of course, in Toronto, we've had all sorts of soap operas recently about how transit should be expanded, where it should go, things like that. This has been something that all levels of government have had the opportunity to help solve, but really, maybe, have not done everything that they could.

How do we fix it? First, we do need to reduce future congestion by increasing mobility for all residents in Ontario, not just in Ottawa and Toronto. Mobility is an issue for every town, for every city. I was looking at St. Thomas, for example. St. Thomas has bus issues and funding issues. I was looking at Kenora—Rainy River, in Ms. Campbell's riding—issues around simply repairing Highway 11, a lot of issues there. We do need to expand transit coverage and increase transit frequency to make it a viable option for those who can use it.

We need to depoliticize transit as well by creating predictable, stable, dedicated funding. Move funding out of general revenue. Create named revenue sources that are targeted at specific needs. We need to stick to our plans and stop waving in the wind.

Ontario has four rapid transit lines in operation today, it has six rapid transit lines in design or under construction, but 10 cancelled rapid transit lines since 1994. That's a big problem. What we're doing now isn't working.

If we had stuck to 1985's Network 2011 plan, in theory, we would have in Toronto a subway system that looked like this today. Of course, other issues might have gotten in the way, but it shows you that there is the potential for great expansion of transit systems, better mobility for residents, if we are able to stick to plans. Plans change, absolutely, but we need to come up with a way to change the politics because too many of the changes are actually due to an election win or specific promises to voters rather than what might make sense for everyone. This isn't shown as a better or worse idea; just an example of past plans that never got off the drawing board.

How do we actually get stuff built? Predictable, stable, dedicated funding. I want to talk to you really quickly about Los Angeles county and Measure R. It was a referendum on a new 0.5% sales tax. It passed with over 67% support. When was the last time anyone in this room got 67% support for a new tax?

Voters were told where the money would go, affected cities were given a guaranteed slice of the pie and the tax was set to expire 30 years later. It generates \$1.3 billion a year and costs the average resident \$25. The county is actually using the long-term revenue as collateral, so that they can build 30 years' worth of transit projects in just 10 years. Twelve rapid transit projects are actually under construction right now. LA is a mess, but at the end of that 10 years they're going to have a huge boost.

Fifteen percent of the revenue is dedicated to the municipality it came from, and 20% to county-wide services. There are also independent audits and reports to taxpayers.

It's a logical conclusion: To grow the economy, we have to grow the population. To grow the population, we have to move more people around, which means we have to have more mobility for them, which means more rapid transit. And if we need more rapid transit, we've got to pay for it.

So here's an idea: a 1% transportation fund tax, equivalent to an HST raise but a separate tax. It's shown on receipts, and voters are actually told where the money is going. It's explained visually before implementation and on an annual tax bill or an annual report.

Just as an example, let's put 50% of it into transit and 50% into roads, bikes and infrastructure. It's not all the money, but it's a help. And it's something that can become part of the furniture to then be useful, predictable and stable for transit systems and for municipalities that need to repair that bridge or fix up that road—whatever it

might be. As an example, I just built a made-up report showing some of the things we might be able to pay for and how we might display that to residents.

Included in the rest of my presentation, which you've got copies of, are some of the other information slides we use to talk to other members of the public, talk to residents about rapid transit expansion, that sort of thing. Please don't hesitate to take a look at that, and we have more information on our website. But this is the big idea that I really wanted to push. Thanks very much.

The Chair (Mr. David Oraziotti): Thank you very much for your presentation. The NDP caucus is up first. Mr. Schein, go ahead.

Mr. Jonah Schein: That's a great presentation, and I really appreciate the work that CodeRed has been doing in the city, bringing a very reasonable debate, and a badly needed reasonable debate, to transit issues.

Recently there was a report commissioned by the TTC, I believe, showing some problems in the process of building the Eglinton and Sheppard lines, in part, they're suggesting, because of Metrolinx's insistence on using a P3 model. I wonder if you could comment on that model and if you think we could get moving a little bit faster on that if we had some more flexibility there.

Mr. Cameron MacLeod: Very good question. One of the things I really like to focus on is that CodeRedTO is not a transit construction expert, we're not financing experts, we're not even taxation experts. This is as close as we'll ever get.

I would really like us to have better rapid transit sooner. Throughout Europe there have been many successes regarding P3 approaches and AFP approaches. In North America, there have been limited successes. I don't know enough to judge, but if the experts say we should try it, I'm okay with that. CodeRedTO has no position on that officially, because we don't have the expertise.

The Chair (Mr. David Oraziotti): Thank you.

Mr. Rosario Marchese: The provincial government said they were going to prepare some report two years ago on bicycle infrastructure. Quebec puts in a great deal of money; we don't. Do you have an opinion on that?

Mr. Cameron MacLeod: Absolutely. Increasing mobility requires more options for people. Not everyone has the ability to take transit, not everyone has the ability to ride, not everyone has the ability to drive. If we give more options, we give better mobility for Ontarians. More money toward cycling would be a fantastic approach as well.

The Chair (Mr. David Oraziotti): Thank you. The Liberal caucus. Mr. Coteau.

Mr. Michael Coteau: Thank you for the presentation. It was very clear and a good presentation.

A quick question: I know you said that you—

The Chair (Mr. David Oraziotti): Michael, can you just move the mike?

Mr. Michael Coteau: You're a Toronto-centric organization, but have you spoken to anyone outside of any urban centres about the 1% transportation tax mainly

feeding urban centres? Have you got any response from rural Ontario or anywhere outside the cities?

Mr. Cameron MacLeod: I can't honestly speak to how much of a conversation we've had. We've got a very large mailing list, and we've had support expressed by people throughout the province. They have joined up on our mailing list, they have contacted us and they have come into the city to attend some of our presentations. But I can't say honestly that, yes, we've talked to a bunch of people. I know a new tax or a higher tax is a big concern for everyone. One of the things, for me, that really made the Los Angeles referendum successful is that the money being spent in the community was being returned to the community by a specific formula similar to how the gas tax is distributed—

Mr. Michael Coteau: Have there been any alternative solutions outside of the 1% transportation tax fund that has been discussed within the organization?

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Mr. Cameron MacLeod: Oh, absolutely. We're actually interested in a whole pile of different options. There is no silver bullet, in my opinion, to solving funding. We're not going to find one magic tax that makes us suddenly not have to worry about it ever again. If we have multiple tools, that will really help us address multiple needs.

Mr. Michael Coteau: Thank you.

The Chair (Mr. David Orazietti): Thank you very much. Conservative caucus: Mr. Smith, go ahead.

Mr. Todd Smith: Thank you for a very thoughtful presentation. It's some new material that we have to digest now. Thanks to your organization.

We simply believe that taxes can't be raised again, that there are just too many taxes. The province doesn't have a revenue problem; the province has a spending problem right now. Having said that, we do have money in the bank, and when it comes to fixing the transportation problem, specifically in the city of Toronto, I just simply want to get your thoughts on LRT or subway. What we keep hearing over and over again is that it's got to be subway.

Mr. Cameron MacLeod: The short version is: Toronto is one of the few cities on the planet that only has buses and subways. Every other city that has a successful modern transit system has a mixture of modes that includes light rail. The flexibility of light rail gives us a lot more opportunities in lower-density areas. So we're a strong supporter of the right technology in the right area. That means subways sometimes, and it means light rail sometimes.

The Chair (Mr. David Orazietti): Thank you very much, that's time for your presentation. We appreciate you coming in today.

Mr. Cameron MacLeod: No problem; thank you.

GET TORONTO MOVING

The Chair (Mr. David Orazietti): Our next presentation: Get Toronto Moving committee. Good afternoon,

sir. Welcome to the Standing Committee on General Government. You have 10 minutes for your presentation and five for questions should members choose to ask questions. You can simply state your name and start your presentation when you're ready.

Mr. James Alcock: Okay, good afternoon, ladies and gentlemen. My name is James Alcock. I'm the chair of the Get Toronto Moving committee. What we are is a private group of planners and engineers that have pooled all our expertise in various aspects of transportation. My background is urban planning. What we've done is, on a volunteer basis, we've decided to take a look at this gridlock problem and try to come up with ideas in the Toronto area to try to look at ways to ease it and to solve it. We've been going since 1990, so we've been going now for over 20 years, and we've developed proposals by pooling all our resources, looking at infrastructure, looking at technologies and looking at overall planning. We're not on any paid basis; we're all volunteers because we also have careers as well.

I just wanted to roughly go through the plan. We have a website, which is www.gettorontomoving.ca. On the homepage are all the proposals that we recommend would help to ease the traffic gridlock in the Toronto area. Then, we have individual pages that go into more details on each of the proposals. We've looked at it more from a planning and engineering side rather than from a financial side, though we do have ideas for funding as well.

Rapid transit—we have firmly come down on the side of subways. We believe that subways move a lot more people. They move up to 200,000 people a day, whilst an LRT only moves about 40,000 people a day. Toronto is growing. Toronto has had subway plans in the past, and we believe that they should be completed. We very much support a downtown relief subway line that would utilize going through Queen Street or Union Station that would be like a big "U" that would arc up on the east side through Scarborough and on the west side up towards the airport. That initiative is apparently being looked at by the city of Toronto at the moment, but it has been talked about since 1985. A downtown relief line, I think, would be wonderful because it would relieve a lot of congestion on the Yonge and Bloor.

Also, as for Eglinton, we're building the underground LRT line between Black Creek and Laird Drive. I mean, why not make it a full subway? It would carry more people. I think that you're going to have to have the overhead wires so you're going to need the size of tunnel anyway, so why not upgrade it to full subway? It would carry more people on Eglinton. You tried to build a full-scale subway on Eglinton in the 1990s, so I think it would make more sense to do that.

As for Sheppard, it only carries 47,000 because it's only a dead-end little stump; it ends at Don Mills. If it was completed all the way across and linked up with an extended Bloor line on the east side and was part of a connected, linked network, I think more and more people would use it.

I think that what we need to do is get into the idea of building at least two kilometres of subway every year and just keep on going. I know the LRTs have been approved, but I think that it's not too late to consider upgrading them and gradually building subways over years.

Roads are another area that have been sadly neglected in the Toronto area, and that's mostly because of our ideological reasons. We haven't built a major road in the Toronto area south of the 401 since 1971, when the construction of the William Allen expressway was cancelled. Mind you, though, I do not believe in resurrecting that proposal because of the neighbourhood impact in the centre of town. There are other and better ways to do it.

We believe in a Highway 400 extension that could be built in an underground tunnel under the Georgetown rail corridor, coming down on an angle and linking to the Gardiner Expressway at Strachan Avenue. There's a huge rail corridor there that comes off Black Creek Drive. Black Creek Drive actually used to be a provincial road and was downloaded to the city. It could actually be taken back by the province, and then an extension could be built in a tunnel under the Georgetown rail corridor, straight down to the Gardiner.

There's also room on the Gardiner to build an interchange. That could be put entirely underground. I've had a tunnelling expert look at it and say that it could be done for about \$1.9 billion. That would open up the connection to Highway 400, a new connection to the airport. It would also provide trucking going in and out of the industrial areas in the west end, to get off all the local streets and use a route. And it would be entirely underground, under a rail corridor, so it would not affect surrounding neighbourhoods.

We also believe there's a large hydro corridor on the east side, running through Scarborough: the Gattineau hydro corridor, 600 feet wide. It could easily fit a road along there and alleviate the Don Valley Parkway, the 401 and Kingston Road in Scarborough, using a hydro corridor—open space.

Also, this is more of a municipal thing, but little things could be done: for example, synchronizing all our traffic lights so that we get a green wave. What I've noticed when I drive in Toronto is, when the light goes green, going at the speed limit, by the time I get to the next one, it's red. We need to get the traffic lights synchronized so that they're flowing and you get a green flow.

Filling in the gaps in our arterial road system: If you look at the arterial road system in Toronto, there are all kinds of gaps in it, which affect bicycles and buses as well as cars.

One-way streets: The Richmond-Adelaide works really, really well. I am a strong advocate of one-way streets. I think that a network of one-way streets in some parts of downtown Toronto would move the traffic a lot better, using a pair of streets. Richmond-Adelaide works really, really well, and we could do more of that.

Roundabouts: They work very well in Europe. We could start using more and more of those instead of

traffic signals. I think that Canadians can gradually get used to them as they come in. They've just built some huge ones down in Cobourg and they work really, really well.

I do advocate for bicycle trail networks. I think they're very good. But remember, you're limited there because of winter use as well.

As for technologies, there are all kinds of smart technologies that can be used. We need to invest in new technologies that help to guide the traffic—GPS systems, that sort of thing.

Funding: In London, England, they use what they call the PFI, the private finance initiative, which is partnering with private companies to build transit and roads. We can do that here. The Ontario teachers' pension fund and the Canada pension fund have a total of about \$250 billion waiting to invest. They're investing it in Australia, in Britain. Why not invest it here? I think a P3-PFI system is the way to go.

As far as tolls go, I support tolls on new roads but not on existing roads. What's going to end up happening if you put tolls on existing roads is people will just go other ways to avoid it. But on new roads, from scratch, like the 407? Yes.

I think also, like the previous speaker said, we need to have a plan in place and we need to stick to it.

Thank you very much, ladies and gentlemen.

The Chair (Mr. David Oraziotti): Thank you very much for your presentation. Liberal caucus, questions? Mr. Dhillon.

Mr. Vic Dhillon: Thank you for your presentation. Do you feel the federal government should be doing more than what it's doing presently with respect to supporting transit?

Mr. James Alcock: Yes, I definitely do. I think that they're not doing enough. I think that there should be federal funding, definitely, right across the country.

Mr. Vic Dhillon: Thank you.

The Chair (Mr. David Oraziotti): Conservative caucus? Mr. Smith, go ahead.

Mr. Todd Smith: Thanks; some interesting ideas there, that's for sure. I like the idea of adding more north-south, like a Don Valley Parkway, either to the east or west. Obviously, the DVP is a Don Valley parking lot, and the average speed at times during the day there is 17 kilometres per hour and 16 kilometres per hour at peak periods, so obviously there are some serious issues there.

1700

You had a price tag for the Black Creek Road extension, at \$1.9 billion. Then there was no money for the Kingston Road extension. Do you have any idea what that priced out—

Mr. James Alcock: That would be cheaper because that could be built on the surface, on a hydro corridor. The right-of-way is already there, so you're looking at between \$500 million to \$1 billion.

Mr. Todd Smith: And where would you be able to access that along? Is there an actual drawing that you have that you can provide to—

Mr. James Alcock: Yes. On our website, we've got a detailed drawing. It would actually come off the Don Valley Parkway, just south of where the bottleneck begins. So it would strain off some of the bottleneck.

The problem with the Don Valley is that you're using it to go north and east. It would pull the east traffic off, which would alleviate the Don Valley, and put it along a hydro corridor so that it would branch off before you get into the really congested area north of Eglinton Avenue. It would connect to the 401 at Morningside Avenue. It could even continue on to the 407, and then a couple of access points in between. We'd put them at Kennedy Road and Markham Road.

Mr. Todd Smith: Interesting ideas. Thank you very much.

Mr. James Alcock: Thank you.

The Chair (Mr. David Oraziatti): Thank you. NDP caucus.

Mr. Rosario Marchese: Mr. Alcock, I like subways too; and so do the Conservatives, but they don't want to raise any new taxes. So it's hard to know how we're going to raise that without finding a way to do that. Per kilometre, it takes about \$400 million. The previous speaker said \$350 million; others say \$450 million—

Mr. James Alcock: I say \$200 million. I think those figures are overloaded.

Mr. Rosario Marchese: So the numbers vary from \$200 million to \$400 million, but it's expensive. The Sheppard line: Obviously, the mayor couldn't find enough private sector support to build that line. Pension funds: You need approval. I mean, people need to agree; otherwise it's hard. How do we raise the money?

Mr. James Alcock: I'm sorry, but I believe that if they can do PFIs in Britain, why can't we do them in Canada? The thing is, I think we need to sit down and we need to talk to these funds. If they're investing them in toll roads in Australia and plazas in Great Britain, why on earth aren't they investing them in transportation in Canada?

Mr. Rosario Marchese: And if that doesn't happen, how do we raise the money?

Mr. James Alcock: I think that if that doesn't happen—I'd be pretty disappointed if that doesn't happen, but I think his previous idea of the 1% tax is probably the only way to go. But really, that would be a last resort.

The Chair (Mr. David Oraziatti): Thank you very much. That's time for your presentation. We appreciate you coming in.

Mr. James Alcock: Thank you for having me.

TRILLIUM AUTOMOBILE DEALERS ASSOCIATION

The Chair (Mr. David Oraziatti): The next presentation: Trillium Automobile Dealers Association. Good afternoon. Welcome to the Standing Committee on General Government. As you're aware, you have 10 minutes for your presentation, and the remaining time will be left to questions, should members wish to ask you

follow-up questions. Simply state your name and you can start your presentation.

Mr. Frank Notte: Great. Thank you, Mr. Chair, members of the committee. My name is Frank Notte and I'm the director of government relations for the Trillium Automobile Dealers Association, or TADA. TADA was formed earlier this year when the Ontario Automobile Dealer Association and Toronto Automobile Dealers' Association officially merged. TADA is Canada's largest provincial dealer association, representing over 1,100 new car dealers, which equates to one third of all new car dealers in the country. Our dealer members represent every manufacturer's brand and franchise, and operate right across Ontario.

But our members don't just sell cars; they create and sustain over 47,000 well-paying jobs. They also generate \$27.1 billion per year in sales and service at their dealerships. And they support a variety of charitable projects. One major highlight includes a \$2-million contribution towards the construction of the TADA Gift of Life wing at Ronald McDonald House, Toronto. This wing was established specifically in support of organ and tissue donation for children needing transplants.

Every February, TADA is proud to produce the Canadian International AutoShow, Canada's largest consumer show, in Toronto. In 2013, the auto show will celebrate its 40th anniversary.

Traffic congestion in the GTA is famous for all the wrong reasons. Numerous studies consistently rank the GTA's traffic among the worst in North America and the world. The Toronto Board of Trade estimates the average GTA commute is 80 minutes round trip, which is the longest in North America and costs the economy \$6 billion every year. The Organisation for Economic Co-operation and Development said that Toronto's traffic cost the city \$3.3 billion per year. Stats Canada's 2010 Commuting to Work survey found that in Toronto more than one quarter of commuters "had travel times of 45 minutes or more, which is much greater than in any other" metropolitan area. IBM also conducted a world-wide "commuter pain" survey that concluded Toronto had the second-worst commute in the world, behind Johannesburg, South Africa.

It's really no surprise. Toronto has become the poster child of half-built or cancelled highways and decades of inadequate transportation planning. Today's drivers are suffering world-class gridlock, thanks to cancelled highway projects like the Spadina and Scarborough expressways. This has resulted in existing highways being overused for the amount of vehicles they were originally intended to accommodate, resulting in today's traffic congestion.

While transportation and highway projects were delayed or cancelled, the GTA's population was growing rapidly. This lack of foresight meant that while more and more people called the GTA home, transportation infrastructure fell further and further behind. Highway projects need to proceed without delay. We need to learn from past mistakes and act now to break traffic congestion and stop it from getting worse.

According to the Ontario Ministry of Finance's Ontario Population Projections Update released in spring of this year, "Ontario's population is projected to experience healthy growth over the next 26 years, rising 34.4%, or over 4.5 million ... by July 1, 2036." It also goes on to say, the GTA "is projected to be the fastest-growing region of the province, with its population increasing by 3.0 million, or 47.7%, to 2036."

With the GTA's population set to increase by 3 million, adequate transportation is key to supporting economic and population growth and fending off traffic congestion.

For some, the cure-all to relieving the GTA's specific traffic congestion is investing only in public transit at the expense of roadways and drivers. This is an irresponsible policy and fails to recognize that the vast majority of people need and want to drive automobiles. Using Statistics Canada's 2011 census numbers and with the Ministry of Transportation reporting that there are 9.1 million drivers in Ontario, the TADA estimates that 90% of Ontario residents 18 years of age or over are licensed drivers. The TADA is not surprised that almost every adult in Ontario feels they need to have a driver's licence. Automobiles offer families the freedom, flexibility and convenience to run their household as they see fit. In short, whether it's dropping the kids off at school, getting to work or picking up the groceries, the family car is a necessity for nine million Ontarians to run their household.

Before listing the TADA's five recommendations to fight GTA traffic, I want to commend the Ontario government on moving forward with the 407 east extension. This transportation link is vital and will help alleviate future traffic congestion.

Our recommendations are as follows.

(1) Reverse the 2012 Ontario budget cuts of \$229 million over the next six years to previously approved highway expansion and high-occupancy vehicle lane projects. On March 13, 2012, the Minister of Transportation announced higher vehicle and driver fees that will generate an extra \$340 million annually for the province. Clearly, this added revenue covers the \$229-million budget cut.

(2) Move forward on the GTA west corridor study. The Brampton Board of Trade is concerned that a 15- to 20-year timeline to initiate the project is too long for businesses and municipalities to plan accordingly. The TADA supports the board of trade's suggestion to "support early designation and protection" of the GTA west corridor and to move "expeditiously on the GTA west corridor study implementation process within 10 years."

(3) Build a Niagara-to-GTA highway to properly accommodate future population growth, help foster economic growth and prevent traffic congestion. A report done said, "By 2031 ... the existing transportation network within the" Niagara to GTA "study area will not be able to support the additional transportation demands that correspond with the projected growth." The Niagara-to-GTA highway will create a better link for the GTA to

access multi-modal transportation such as the Hamilton international airport, the Welland Canal, the St. Lawrence Seaway, and the largest US consumer market through the Fort Erie-Buffalo international crossing.

(4) Examine how existing infrastructure, mainly in the downtown cores, can be better utilized to increase traffic flow and allow vehicles, cyclists and pedestrians to move more efficiently.

(5) Review the city of Toronto's Downtown Transportation Operations Study upon completion. The study was initiated by Toronto city councillor Denzil Minnan-Wong, chair of the public works and infrastructure committee. The province should consider what best practices or ideas the study contains, help implement them if asked to by the city of Toronto and consider using those principles when planning at a provincial level. I encourage committee members to review our official submission, which was handed out.

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In closing, I just want to say that TADA thanks the Standing Committee on General Government for tackling the important issue of GTA traffic and for allowing Ontario's new car dealers to have their voices heard.

The Chair (Mr. David Orazietti): Thank you very much for your presentation. Conservative caucus: Mr. O'Toole, go ahead.

Mr. John O'Toole: Thank you very much, Frank; very reasonable to hear the other side. I said earlier it's something that some would disagree with; it's sort of the war on the car thing. We've described that it pays its way, do you understand, in jobs and other ways. I thank the auto dealers' association for their contribution.

I like the comment you made on the idea of freedom. I live in the country. Most of the people here live in the city. I understand the difference. I can't get there from here without a car. My constituents can't get to Toronto without a car. And if they have a walking or disability problem, they cannot get to transit. Transit doesn't take you where you're going. There has to be another piece to this, do you understand? I have to take a taxi. I walk up from Union Station. At this point, at 69, or almost 69, if I get elected again, I probably won't be able to walk. Anyway, I'll have to take a taxi.

But here's the deal: It's about \$15 billion a year that you get. I'm going to raise one point here that they need to understand. Gas alone—we get a lot of complaints about the price of gas. They increased the price of gas 10 cents a litre with the HST. It was a grab. People didn't really realize the price of gas went up 8 cents to 10 cents per litre thanks to McGuinty. Do you think gas is expensive? Blame these guys right here.

I believe that paying your way is important. Frank, what would you say to people who say, "I think it's balance"?

Mr. Mario Sergio: Well, what do you say to Harper?

Mr. John O'Toole: See, they want to blame the feds for everything. It's just tragic, really. Talk to Bob Chiarelli; he has been both.

The Chair (Mr. David Orazietti): Do you have a question to the presenter?

Mr. John O'Toole: I want you to respond in a fair, reasonable way about balance. I can see in some of your recommendations here that you're not totally anti-transit.

Mr. Frank Notte: No. I'm not here to bash public transit. It has its role to play to move people across the GTA and the greater Golden Horseshoe. But nine million Ontarians feel like they need a family car for their own use, and they're going to make the best decisions.

I'm from a little city—Port Colborne, Ontario—and there is no public transit. In fact, it's the family car. My dad was an autobody shop owner—you know, it runs in the family. But if we wanted to get to Toronto, we had to drive. Even if you wanted to get to the GO train in Burlington, you still had to drive to get to the GO train.

Mr. John O'Toole: There's not enough parking, though. Anyway, thanks very much, Frank.

The Chair (Mr. David Orazietti): The NDP caucus. Mr. Schein, go ahead.

Mr. Jonah Schein: Thanks for your presentation. My understanding was that we were talking about gridlock in big cities. I assume there's not a gridlock problem in Durham, so this is not a war on cars. I think this is just a conversation about gridlock.

I noticed in most of your recommendations that there's actually no mention of transit. Do you see transit as a part of the war on gridlock? Is transit something we need to invest in?

Mr. Frank Notte: It has a role to play. Transit has a role to play to move people across the GTA. I don't think it has to come at the expense of drivers. I think they both have to work in sync to do that.

Mr. Jonah Schein: With limited space on the roads, though, I did notice that you mentioned a \$229-million cut by the provincial government in the recent budget. Part of that money goes to high-occupancy vehicle lanes, the HOV lanes, is that right? To me, that's a major concern, because you could actually have more people commuting by car in the same amount of space.

Mr. Frank Notte: Or buses.

Mr. Jonah Schein: Yes. Do you know specifically how much money, of that \$229 million, was cut from the HOV lanes?

Mr. Frank Notte: The answer is no. That's the number that was in the addendum to the 2012 Ontario budget—

Mr. Jonah Schein: Any clear rationale from the ministry about why they would cut HOV lanes?

Mr. Frank Notte: No, and we're concerned, because driver and vehicle fees or taxes were raised by \$340. We've asked the minister to clarify and exactly list where those funds are going and what projects they're going toward.

Mr. Jonah Schein: But one thing you've said is that you support more HOV lanes, right?

Mr. Frank Notte: That's part of a transportation mix.

Mr. Jonah Schein: Okay. Thank you.

The Chair (Mr. David Orazietti): Liberal caucus: Mr. Dhillon.

Mr. Vic Dhillon: Thank you very much for your presentation.

The Chair (Mr. David Orazietti): Thank you very much. That's time. We appreciate you coming in today and answering some questions and providing us with your insight.

Mr. Frank Notte: Thanks.

CANADIAN AUTOMOBILE ASSOCIATION

The Chair (Mr. David Orazietti): The next presentation is the Canadian Automobile Association. Good afternoon. Welcome to the Standing Committee on General Government. As you know, you have 10 minutes for your presentation and five minutes should members wish to ask questions. Simply state your name, and you can start your presentation.

Mr. Elliott Silverstein: Good afternoon. My name is Elliott Silverstein, and I'm manager of government relations at CAA South Central Ontario. CAA is a not-for-profit auto club that has been advocating for members since 1903. We are the largest club in the federation, serving over 1.8 million members as far as Windsor, north to Sault Ste. Marie and east to Kingston.

Advocacy is the origin of CAA's existence, from lobbying for the construction of the Trans-Canada Highway, installing road signs across the province, introducing seatbelts in all vehicles and advocating for distracted driver legislation. All of these are designed to make roads safer for all users.

Today, CAA continues to advocate on behalf of members and the motoring public at both the provincial and municipal levels, focusing on core programs such as our School Safety Patrol, Bike Assist, Watch for Bikes and Worst Roads programs. Through these, we have the opportunity to work with local communities and governments to educate the public and call for improved transportation infrastructure.

Ontario has consistently been recognized as having some of the safest roads in the country and around the world. While Ontario serves as an excellent model for other jurisdictions to follow, the province is plagued by gridlock and its associated impacts. Commuting times are rising. Last December, CAA conducted a survey of Ontarians and found that when asked if traffic congestion negatively impacts their life—that being work, home, school or social—66% of respondents agreed either strongly or somewhat.

We're pleased that the committee is focusing the study on both the GTA and the national capital region. Today, I'm focusing on the GTA and city of Toronto issues.

While there are considerable issues related to gridlock within the city of Toronto's borders, it is critical to look at the causes and potential solutions from a regional perspective. The conventional wisdom is that traffic flows into the downtown core during morning rush hour and back to suburban areas in the evening, but that's

quickly becoming a misconception. CAA's head office is located in Thornhill, five kilometres north of Toronto, and any drive on the northbound Don Valley Parkway-404 combination on any morning will support that traffic flow is going in more than one direction during peak times. In fact, during Monday's session there was a presentation by Durham region that highlighted that residents from Durham are commuting both to Toronto and York region and vice versa as they receive a number of commuters each day themselves.

The GTA is embarking on its first subway stop in 2015 in York region, when the city of Vaughan will be connected to the Yonge-University-Spadina line, a move that will hopefully alleviate traffic flow from both the city of Vaughan and the neighbouring York University.

While much of the transit discussion has been focused on projects within the city of Toronto, any discussion of gridlock must include addressing and assessing options for expanded and integrated transit services into the further GTA and 905 areas. This includes but is not limited to exploring the potential for an expanded Yonge Street subway into Richmond Hill and exploring comparable options to the east and to the west. Doing so would not only tackle increases in gridlock into the downtown core but also enable, vice versa, Torontonians the ability to commute to work and visit the 905 by way of transit.

The description of the study referenced "investigating innovative and or alternative sustainable approaches to funding, transportation and transit solutions." Back in 2010, CAA unveiled an HST petition to help generate dedicated funds to transportation infrastructure. CAA understands that municipalities need access to a greater source of revenue beyond what they can collect in property tax. Municipalities do not have access to lucrative revenues such as sales or income taxes. Revenue generated from the HST charged on gasoline and diesel presents a predictable funding mechanism that could allow municipalities to make vital investments needed in transportation infrastructure. A lack of sustainable funding has created a situation where many municipalities do not have the financial capability to conduct the maintenance and rehabilitation needed to sustain vital transportation infrastructure. The introduction of the HST in 2010 on gasoline and diesel sales could bring in approximately \$1.8 billion in annual revenue for the government. Since the spring of 2010, CAA has engaged Ontario municipalities and members of the public through the distribution of a resolution and the collection of signatures on a petition. To date, 177 Ontario municipalities, representing six million Ontarians, have endorsed CAA's position, passing the resolution in their local councils. In addition, 10,000 members and non-members of CAA signed CAA's HST petition, which was introduced into the Legislature prior to last fall's election.

CAA has continued to advocate that a portion of the provincial revenue generated from the HST charged on gasoline and diesel sales should be directed by the government to a predictable funding mechanism that would

better enable municipalities to make critical investments to maintain and build transportation infrastructure. This revenue would provide a critical complement to the provincial gas tax funding being directed towards public transit.

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Intelligent transportation systems components are in our everyday travel, also known as ITS. The extent to which ITS we use each day is still relatively limited considering the technology and applications that are currently available and are quite costly. But by its very nature, ITS focuses on improvements to surface transportation, utilizes road capacity more effectively and improves the overall safety and efficiency of transportation-related activities.

Such features include adaptive traffic signals, smart work zones and ramp metering. One example of ITS that could potentially be implemented on a larger scale, where appropriate, is ramp metering. GTA drivers would most likely encounter this on the QEW, where access to the highway is controlled by a light signal to ensure good flow on the highway without backing up access ramps. Ramp metering can achieve a better balance of traffic on and off the highway to allow for faster flow than there would be with natural volume flow onto the highway.

Gridlock is a GTA problem and an integrated GTA solution is required. ITS, much like gridlock, crosses jurisdictions, cities and regions and requires GTA communities to work together and manage connections to ensure uninterrupted service to the end users. However, the potential benefit that ITS brings to a single municipality and the GTA at large are not always clearly understood and, thus, can be a barrier. CAA supports the research and development of ITS and its related applications that improve safety and efficiency of mobility for all road users.

This past April, CAA conducted a survey of its membership within the greater Toronto area. A total of 1,500 members participated in the survey on issues related to transportation, road infrastructure and transit. It provided interesting perspectives into the appetite of CAA members, who, on average, represent one in three households in the province. When asked about increased fees or taxes, 40% of respondents said they would be supportive of additional costs if the revenue generated was allocated exclusively to transportation improvements.

CAA also asked respondents about their opinions on a number of possible tax structures or user fees, including gas taxes, congestion charging, road tolls, high-occupancy toll lanes and parking levies. Our membership indicated that of all the various options available at this time that could be considered to raise additional revenue, high-occupancy toll rates is the most popular option. Our survey noted 60% of respondents said that high-occupancy toll lanes would be something that would be somewhat or very reasonable to them. Comparatively, 63% of survey participants said that congestion charging would either be not very or not at all reasonable.

As other reports have suggested, the concept of road tolls is a polarizing discussion and this is no exception

among CAA members. In a general question on the concept of road tolls, the members were evenly split: 49% in support, 49% in opposition.

Last December, CAA conducted another survey with Ontarians across the province on whether they would support user fees or tolls to help pay for constructing new transportation infrastructure, provided it was removed once it had been paid for. In that survey, 57% of Ontarians said that they would support such an initiative. That figure increases to 63% in the greater Toronto area.

CAA is supportive of exploring a discussion on high-occupancy toll lanes, as it provides motorists the opportunity to drive in a toll lane if they so desire. By doing so, it has the potential to ease congestion, generate new revenue and preserve existing infrastructure in its current form.

Collectively, we need to be innovative in finding current and long-term solutions to this growing challenge. High-occupancy toll lanes, or HOT lanes for short, are commonplace in several cities and, given the infrastructure is already in place, it could help alleviate both some of the gridlock on our roads and help generate additional revenue.

Other aspects include the future discussion on the Niagara-to-GTA corridor. As the corridor does grow over the next 25 to 30 years, it is an area that needs to be discussed and factored in as GTA gridlock discussions continue.

CAA has also partnered with many other key stakeholders over the past year to talk about critical issues with relation to road infrastructure and transit expansion. These coalition meetings have enabled professional, public, private and not-for-profit organizations that share a concern about the impact of gridlock and traffic congestion on our quality of life, economic prosperity and sustainability, to meet.

Traffic congestion has reached critical proportions. It is vital that we improve our transportation infrastructure to meet our escalating demands. In addition, the daily commute is stressful, as gridlock is hurting health, family well-being and productivity.

Lastly, improved mobility and decreased congestion benefits us all. Regardless of which avenue is selected ultimately, the method in which gridlock is tackled will require significant investment in public transit and road infrastructure. Selecting innovative, long-term solutions to our growing problem will help alleviate the challenges across the GTA.

On behalf of CAA, we thank the committee for having us to speak today, and we look forward to working with all three parties to find solutions to this emerging problem. Thank you.

The Chair (Mr. David Orazietti): Great. Thank you very much for your presentation.

The NDP caucus is up first, if they have any questions. Mr. Marchese.

Mr. Rosario Marchese: Thank you very much, Mr. Silverstein. Just as a reminder, the Toronto City Summit Alliance indicated that the Yonge subway extension to Richmond Hill, one of the Big Move's first 15 projects

originally planned to be funded by the provincial \$11.5-billion commitment, is currently underfunded, so it's a problem. I like the idea, but it's underfunded.

That same study shows that the high-occupancy toll lanes, or express lanes, on the GTHA freeways will raise anywhere from \$400 million to \$800 million a year. So even if your members like that, it doesn't raise as much money as governments require. How do we make up the difference, do you think? Do you have a personal view, or do you speak for your members?

Mr. Elliott Silverstein: We have conducted surveys with our membership. We've also worked in terms of our club and looking at the options before us. But \$400 million to \$800 million on an annual basis is definitely a good start. As I mentioned earlier, there was the HST opportunity to take the portion of the revenue from sales on gasoline and diesel and bring that forward as well. While I don't have the answers on the actual funding that's required to bring it forward, I think that any solution to even incrementally bring it to fruition—

Mr. Rosario Marchese: Is good.

Mr. Elliott Silverstein: —is great.

Mr. Rosario Marchese: But you do accept that we have gridlock—

Mr. Elliott Silverstein: Absolutely.

Mr. Rosario Marchese: —in Toronto and the GTA, and that we need to find other ways to get people moving, other than the car. Do you agree with that?

Mr. Elliott Silverstein: We are definitely supportive of multi-modal transportation, that there are needs for various types of transportation, absolutely.

Mr. Rosario Marchese: Thank you.

The Chair (Mr. David Orazietti): Liberal caucus: Mr. Dhillon.

Mr. Vic Dhillon: Thank you for your presentation. Our government has spent \$75 billion over the past eight years on infrastructure, and we'll be spending another \$13 billion this year and another \$35 billion over the next three years. Do you feel that, with these investments, there has been some improvement with congestion? Where do you think the bulk of the funds should go with respect to future investments?

Mr. Elliott Silverstein: In terms of if we feel that these investments are sufficient—I think that was the first question that you asked—I think that any investment is definitely a positive step, because moving the needle forward is definitely a progressive step.

In terms of where it should be allocated, I think that's a broader discussion, and definitely, as we look at the GTA, I think it has to be investigated on where the core areas are. As I've illustrated, in many cases, in many media reports it's very concentrated on the 416 and the challenges in there. Not taking away from any of the challenges there, but there is a growing suburban community in the peripheral 905 that needs to be explored as well. So I think that to find a healthy balance between the two is probably, if we're focusing on the GTA, the way to go.

The Chair (Mr. David Orazietti): Thank you. Conservative caucus: Mr. Smith, go ahead.

Mr. Todd Smith: Thank you, Elliott, for your presentation. I can tell you that the member from Brampton just asked you the question and that stats from the MTO 2008 GTA traffic study show that, despite the fact they're putting money into making infrastructure improvements in the city, travel times are actually slower in Peel region, where he's from. From 2008 dating back to 2006, they were faster in 2006 than they were in 2008.

There is a good pocket of tax money that's being collected out there. A lot of taxes are being collected there, but the problem is that the government is collecting these taxes and then not using them where they're intended to go. Look at the health premium, for instance. The largest income tax increase in the history of the province was supposed to go to health care, and it's going to anywhere but health care.

Unpredictability is one of the biggest problems in the GTA. You just never know how long your commute is going to be morning to morning. There are some major North American cities that have tow trucks on standby—you're in the towing business—on the side of the highway to quickly move accidents off the highway. Do you have any thoughts—I believe Chicago uses it—on that type of program? They have seen improvements there in gridlock.

Mr. Elliott Silverstein: In terms of the fact of having towers on the sides of the road, from our perspective that's actually quite a different discussion because there are some of the challenges about chasing on the roads in terms of trying to get to the scene of an accident or scene of a traffic slowdown, but the challenge as well is that the shoulders are also there for emergency vehicles.

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If there was even to be a discussion on that, that's something that I think, as I said, is requiring a broader discussion on many elements and that emergency services would be consulted as well, because those are their entryways of getting to emergency scenes. So if they're being clogged by people sitting there idling their cars or simply sitting there waiting, it could create problems. It could create some challenges.

I think that looking at structures to try to clean up the scenes much quicker is definitely a progressive step for everybody involved, but I think it's to find something that is common ground that actually works for the consumer as well as the industries themselves, including emergency services.

The Chair (Mr. David Oraziotti): Thank you very much. That's time. I appreciate you coming in today.

TRANSPORT ACTION ONTARIO

FEDERATION OF URBAN NEIGHBOURHOODS

The Chair (Mr. David Oraziotti): The next presentation: Transport Action Ontario.

Mr. Harry Eaglesham: Good evening. My name is Harry Eaglesham. I actually represent the Federation of

Urban Neighbourhoods of Ontario. We, together with Transport Action Canada, are jointly submitting this material.

Our two organizations, together with three other grassroots organizations, produced a forum called Moving Forward: A Public Forum on Transportation, which took place in Markham on May 12. I'm here today to share with you our findings from that forum.

Transport Action is a 30-year-old non-government organization that advocates for sustainable transportation. My federation is an Ontario umbrella group that's connected with over 500 ratepayer and resident associations across the province. Our other three partners were grassroots groups from Markham, North Toronto and Mississauga.

Our forum focused on the familiar congestion problem, the solutions and the need for new funding tools across the GTHA. We, like this committee, have come to realize that it's a major problem, that there is a solution and it's all about the money. So the purpose of our forum was to find out, what are the alternative ways of raising the money and, equally important, how would the public feel about the introduction of new revenue tools? I think both of these are critical to the study of this committee.

There had been numerous other conferences and workshops on these topics, but they were attended mostly by insiders, and so they did come to the conclusion that we didn't need bold action. But it seemed that the conclusions of the insiders—the experts and those who worked in the transportation field—were not sufficient to motivate politicians to actually take bold action.

We were determined to have a forum that would be different, that would be organized by grassroots organizations and targeted at grassroots organizations. We would focus on funding alternatives, and we would survey them. We used hand-held electronic devices to survey our attendees and find out how, in fact, they felt about the various topics on the subject of congestion.

We were pleased with our forum. We used the database of our various organizations to invite the attendees, and we did have a mix. We had 159 people attend, and 71% of them were in fact the public or members of grassroots associations. We were also pleased that 19 elected officials from various levels of government attended. We put together, really, an all-star cast of speakers and panellists that included Metrolinx, the University of Toronto, the Toronto Board of Trade, transportation and engineering from the town of Markham and the former city of Toronto chief planner. The full agenda is attached.

We had one session that was focused on, what's the problem and what's the solution? Metrolinx presented that.

The Chair (Mr. David Oraziotti): Sorry, can you just come back a little bit from the microphone, so it's not popping.

Mr. Harry Eaglesham: Yes.

The Chair (Mr. David Oraziotti): Thanks.

Mr. Harry Eaglesham: The second session focused on the funding mechanisms, and there we invited a

University of Toronto professor to talk to us about his research, which was focused specifically on that topic.

Finally, the three speakers from the first two sessions, plus the three additional panellists, formed a panel, and we dialogued with the attendees.

All the material from the forum, by the way, is available on the website, urbanneighbourhoods.ca, the presentation material. We filmed the event, and so videos are available as well as the full survey results.

I'm going to focus specifically on the things that you don't already know. You already know about the problem, and you already know about the solution, the Big Move. I'm going to focus on the discussion of funding tools and how our attendees reacted to that. You'll see in my material quotations of some of the highlights of the presenters.

Professor Matti Siemiatycki is from the University of Toronto, and his research is specifically focused on various funding tools and case studies for the GTA. There is a copy of his full presentation in the material that I've submitted. His observation was, "We are making investments in transit, but what we need is the next generation of investments."

He also pointed out from his research that some tools are clearly insufficient; he put in the category of small and medium revenue tools, and this includes development charges, service efficiencies, vehicle registration fees, and P3s, public-private partnerships. Some people perceive that these are sufficient, and his research reveals that in fact they are not sufficient.

The large revenue generators, each of which is capable of generating \$1 billion annually towards transportation investment, include a regional parking surcharge on non-residential spaces, a regional sales tax, a gas tax, road tolls and congestion taxes. He discussed evaluation criteria. He thought it was important to consider how much money is generated, how easy each of these tools are to be implemented, what their impact is on policy and are they fair to everyone—the equity issue.

During the Q&A, of course, he was asked—he called it the moment of truth—what was his personal preference. After all of his research, he felt that a combination of a regional parking tax and regional sales tax was appropriate.

I mentioned that one of our panellists was Paul Bedford. I want to specifically go over some of his comments. As I think you probably know, he's a former Metrolinx board member and former city of Toronto chief planner.

He indicated that it was important to look not only at the capital side but also the operating and maintenance side. He felt it was important that everyone should pay something. He said, "Let's be honest. The true cost is probably \$75 to \$80 billion," if you consider all three elements of the equation.

He also spoke about the leadership—I think others have spoken about that today—for example, in LA, where they not only implemented a funding tool after a referendum but in fact are doing 30 years' worth of

investment in 10 years. He spoke of Atlanta, New York, Seattle and Vancouver as examples that have all implemented dedicated transportation tools.

Okay, I'm going to skip to our survey and the results. We asked a total of nine questions throughout the forum. I'll just share with you some of those results. First of all, 86% of attendees felt that major investments were justified to improve greater Toronto and Hamilton area transportation systems, 79% agreed that the Big Move adequately responded to problems of congestion in the GTHA, and 90%-plus supported additional public investment through the introduction of new revenue tools. When we asked them whether they preferred user fees or general taxes, it was a 61%-39% split in favour of user fees. On the question, "How much are you willing to pay?", 17% said nothing, 50% said they would pay up to \$2 a day, 21% said up to \$4 a day, 3% said up to \$6 a day, and 10% said greater than \$6 a day. The full survey results are included.

Our conclusions, the conclusions of the organizers, which were easy to arrive at, were really twofold: first of all, that the views of the grassroots people, when informed, after a couple of hours of presentations from those who are intimately involved with the subject, are not that different from the insiders, that clearly our attendees—the grassroots, the public—did want major investments and they do support the introduction of new revenue tools to fund these investments.

1740

Earlier this week, on Monday—

The Chair (Mr. David Oraziatti): I'm sorry, sir. I need to get you to wrap up.

Mr. Harry Eaglesham: Okay. Metrolinx in fact is moving forward with this public consultation on new funding in the fall. We urge all provincial parties to embrace this process, and we urge the provincial government to act promptly upon receipt of Metrolinx's recommendations, which will be submitted no later than June 2013, hopefully sooner.

The Chair (Mr. David Oraziatti): Thank you very much. Questions: Liberal caucus first.

Mr. Vic Dhillon: No questions.

The Chair (Mr. David Oraziatti): Okay. Conservative caucus, questions.

Mr. John O'Toole: I just want to thank you for your work. Obviously, your forums, out of frustration, try to find solutions. That's the purpose of this committee, and I thank you for the work you've submitted here today.

The Chair (Mr. David Oraziatti): Thank you. NDP caucus.

Mr. Jonah Schein: I was curious to hear the feedback from participants at your conference, that they were more interested in user fees than general tax revenue to pay for transit. Is that accurate? You said 60-40.

Mr. Harry Eaglesham: Yes, 61-39; that's correct.

Mr. Jonah Schein: I'm just curious. Do you think if we had lower transit user fees, lower fares, more people would ride public transit?

Mr. Harry Eaglesham: My understanding, from the information available to me, is that in fact the greater Toronto area is pretty competitive when you compare region-wide. Certainly there are supply-demand considerations. I'm from Markham. We have fare integration issues; if you're going a relatively short distance but you happen to cross Steeles Avenue, then you end up paying a double fare. That has come up frequently as an area of concern. The single fare price is probably very reasonable, but some of the double fare integration system-wide—the lack of integration—is an issue.

The Chair (Mr. David Oraziotti): Thank you. We appreciate you coming in today. That's time for your presentation.

SHARE THE ROAD

The Chair (Mr. David Oraziotti): Next presentation is from the Share the Road Cycling Coalition.

Ms. Eleanor McMahon: Hi, David. This nice young man is going to help me connect my laptop. Just bear with me; sorry for the delay.

The Chair (Mr. David Oraziotti): That's fine. If you want to start your presentation—or it's on the computer.

Ms. Eleanor McMahon: Sorry. It's like a bit of a dance here.

The Chair (Mr. David Oraziotti): No problem. You're welcome to start your presentation if you want to make initial comments or anything while that's being prepared.

Ms. Eleanor McMahon: Sure. Look at that. We're on.

The Chair (Mr. David Oraziotti): There you go. Just state your name for the purposes of our recording Hansard, and maybe you could turn the microphone in front of you just a bit towards you.

Ms. Eleanor McMahon: Absolutely. It's not often I am told I can't be heard. That's an absolute pleasure.

Thank you, Mr. Chair, for being here. It's nice to be here. It may strike some of you as odd that a cycling organization would be here for a conversation about congestion, but I don't think it's odd at all. I think it's where we belong, and so consequently we're happy to be here.

I want to talk a little bit about our organization for those of you who don't know. Because I am the near-to-last speaker, I thought I should inject a bit of humour just to make that everybody's paying attention, so my first slide is meant to be humorous. A bike rides on fat and saves you money, and the other one runs on money and makes you fat. If we're going to have a conversation about cars versus bikes or bikes and cars, that's kind of a fun slide.

Our mission is on our website. We're an organization that represents countless thousands of stakeholders across the province, of course. These are some of our partners. I'm happy to say that some of them are in the room today, CAA in particular. We have a close working relationship with them.

We have a strategic approach to cycling advocacy in the province of Ontario, and of course many of you know that. I think it's important to talk about the benefits of cycling in the context of congestion mitigation. Most of you know this, but it's worth noting that improved personal health, quality of life, livable communities, climate change and air pollution are just some of the benefits to more cycling.

Certainly one of the drivers in Ontario right now is cycling tourism. We know that cycling tourism is an economic development initiative. It creates jobs. In the United States, it's a \$49-billion economic item. Here in Ontario, there is great potential. In Quebec, they net \$134 million in tourism revenue. So there is certainly great potential for our province to create jobs.

Transportation solutions include reduced costs for everyone, of course, and less congestion. I'm going to talk in a moment about the opportunities of equality when it comes to cycling and transportation.

A recent study in the United States, in fact, released about two weeks ago, from the League of American Bicyclists talked about how Americans are saving money through cycling: at least \$4.6 billion a year by riding instead of driving. Cycling is cheap. The average annual cost in the United States to operate a bike is \$308 versus a car at over \$8,000. In the United States, cycling—as it is here in Canada and in Ontario—is growing at a phenomenal rate, bike commuters in particular, an interesting statistic when we think about the potential to reduce congestion.

An interesting comment, I thought, from the leading transportation official in the United States: "Making it easier and safer for people to walk or bicycle is a matter of fairness. Many Americans cannot afford to drive a car or are physically unable to drive." Upwards of "10% of Americans not only don't own a car, but don't even have access to one. In our cities, that number is even higher."

I don't have the figures for Canada on this item, but it intrigued me because when we think about the growing numbers of seniors and when we think about people who can't drive, I think that's an important imperative. Cycling and transit are answers to these equations, and certainly I think it's a powerful argument for making cycling more prevalent.

Some Canadian numbers: The cost of owning a car is a little bit less, and certainly owning a bike, by comparison, is dramatically less expensive. The social cost of driving is really high: stress, congestion, pollution, collisions. All of these are part of the conversation. Of course, when we think about investing in active transportation and cycling, we not only reduce air pollution, but we save the planet and save money.

What else do we know? A number of figures to share with you: 20% of greenhouse gas emissions come from the transportation sector, so cycling is a major solution for reducing greenhouse gas emissions and cleaner air. When we think about congestion, most of you know the figures from the OECD report: that congestion costs the greater Toronto area over \$3 billion a year. Of course,

you all know that cycling is good for you and that we have an epidemic of obesity in our province, especially when it comes to children.

I want to talk a little bit about our partners to the south. In the United States, they've invested over \$5 billion in cycling since 1990. By comparison, I think that's a fairly dramatic contrast. There are a number of legislative constructs in the United States that provide for this investment, including multi-modal grants, the American Recovery and Reinvestment Act, of course, congestion measurement and research funding. On Safe Routes to School they passed a bill in 2005; that was \$612 million. That's a fairly significant number. The state of Texas alone has spent over \$250 million on getting children to school by active means, so walking or cycling.

In Ontario, we spend over \$800 million a year in busing—that's a fairly big number. When you think about the greater Toronto area, Metrolinx recently did a study, and the average commute for children is about two kilometres, ultimately and absolutely doable by bicycle; walkable certainly. When you think that cyclists travel an average of 18 kilometres an hour, two kilometres is not very far and certainly doable for children. We should be investing in active and safe routes to school programs and working with communities to give them the tools that they need to make them more bicycle-friendly.

Another important statistic: Over the last 15 years, Portland has become one of the most, if not the most, bicycle-friendly cities in the United States and has a growing reputation worldwide. They did it all for less than the cost of a mile of freeway—fairly impressive. Cycling adds \$1 billion to the economies of both Wisconsin and Minnesota, according to recent research studies. I mentioned the tourism figure—impressive indeed.

When you compare Ontario to Quebec and British Columbia, it's important to note that the province of Quebec has spent considerable monies and made considerable investments in cycling. It has left them with a legacy of a powerful route system that is 40% on-road. That means, especially if you live in Montreal, you become a cycling commuter by virtue of the fact that they've invested in infrastructure. If any of you have been to Montreal, you've seen the benefits of that investment, and it certainly nets them the tourism revenue that I've already mentioned. In British Columbia, they have Bike BC, which has grown and is now more than \$31 million a year. Actually, I learned yesterday that they've increased that number coincident with Velo-city, the global cycling conference, which is coming to Vancouver later this month.

When you think about the opportunities for Ontario, the Big Move has already been mentioned as part of the Metrolinx consultation. I think that's an important opportunity for us to all think about how we can fund cycling projects. There's already a number of them in place. I think Metrolinx can do more. I think we need to think carefully about connections to transit. Certainly, in Durham region, I know they are. I know also that in York

region they're building bus rapid transit using Metrolinx funding. We need to do more of this, certainly. If we focus on those utilitarian cycling trips, 40% of them are under five kilometres—again, ultimately doable by bike. So we should be thinking about these opportunities as we move forward, especially since they contribute to congestion mitigation.

1750

When you think about MTO and the amounts of monies that are invested in other areas, they are fairly considerable, and yet active transportation pales by comparison. Another important reason to think about investing in cycling is that it is completely in line with existing legislation. Ontario has climate change objectives. We have health promotion and healthy communities objectives. Recent announcements on obesity mitigation in our children is another important reason.

Our solution: If we could divert \$25 million of existing infrastructure investment to cycling, it would give our communities not only powerful tools but it is only 1% of the Ontario transportation budget. So the 1% solution is a fairly fair and small amount, we think. Also of importance—of critical importance—developing in Ontario, bicycle policy. For all the reasons I've mentioned, it's an important framework in an overarching vision for the province. It doesn't exist. We absolutely need one. We haven't had an update in this important and burgeoning area since 1992. I think we would all agree that 20 years is enough time for us to be thinking about modernizing a long-overdue policy change.

I'm going to close with a quote from the deputy mayor of Seville. I was in Brussels for the Velo-city conference. At the European Parliament, they signed the Charter of Brussels, which now applies to the European Union, which talked about goals for increasing cycling, primarily because of congestion mitigation, interestingly enough.

"Increasing the number of cyclists, making cycling a preferred mode of transport is consistent with cities across the globe that are modern, developed and advanced...."

"In broader terms, cycling must be on the political agenda."

"We must be ambitious—there is no turning back."

Better words were never spoken. Thank you very much.

The Acting Chair (Mr. Michael Coteau): Thank you very much. We'll start with the PC caucus.

Mr. John O'Toole: Eleanor, thank you very much for the hard work that you've done. I seem to be meeting you every time I turn around in the last while. I do admire the work that you're doing. You're right, in your concluding remark: Let's get it on the agenda. You are pushing a bit on the tourism component of cycling, and I commend you for that.

This thing is dealing with congestion. When I went down to the forum that I participated in with Share the Road, I took a taxi down—I should say that—because I was a bit late. It was quite a warm day, as you recall. The

other member of the panel here was there—my point being that I asked the taxi driver what he thought of cycling in Toronto. He said it's very dangerous. Now, that's not your fault. I know your argument is to this. When we talk about congestion, if you give up any more road space—the light rail transit solution is going to be an issue. Even when I look in a practical sense in Durham—and I do watch very carefully. They do have bike racks on the fronts of the GO buses. For the GO bus that gets me from where I live to the actual GO train, the bus driver has to get out often and move the cycle on to the front, and there's only room for two. So, the duty to accommodate comes into this. I just put that out there. There are a lot of challenges. In Toronto, in the city, I see a lot more cycling. I come across Wellesley if I happen to drive, and it's very popular.

Ms. Eleanor McMahon: It is.

Mr. John O'Toole: It's 10 times what it was a year or two ago. So you're doing good work in that respect, raising awareness. How is it going to apply in the broader sense, for the province, outside of the city of Toronto? I'll leave it at that if you want to respond.

Ms. Eleanor McMahon: Thanks, John. There was a lot in there. It was helpful, but I'm going to try to reach back. It's not just the city of Toronto, in fact. It's interesting: There's a lot of work that needs to be done in the city of Toronto, I will agree with you, to make cycling safer and to get people who aren't riding now cycling. Toronto has an enviable cycling culture, there's no question. If you see the number of cyclists out there now—I ride as much as I can. When I come to the city, I get on a Bixi bike and away I go. It saves me money, it's less polluting and it's faster. I'm going to say, tongue-in-cheek, that if you rode your Bixi bike that day, you might have made it before the other member who's here who joined you on the panel, and you would have gotten some exercise at the same time.

When I look at other cities around the world, John, all I have to do is look at Washington, Chicago and New York City and follow their lead. These solutions are absolutely and eminently possible. New York City is becoming the envy of the United States in terms of the investments that they're making in cycling. The old saying applies here: "If they can do it in New York, if they can do it there, we can do it anywhere." They've had significant consultation, neighbourhood by neighbourhood. The commissioner of transportation is committed. She has the mayor's full support.

I think it's a question of making it a priority, John. You know what happens when you politically make things a priority, when you dedicate funding to them. The two main reasons that they did this in New York were for congestion and safety.

The Acting Chair (Mr. Michael Coteau): I'm going to move on to the NDP caucus.

Mr. Rosario Marchese: Thank you. Two quick points, Eleanor—good to see you—or three, actually: I ride my bike in the city in the summer and I never, ever feel unsafe. I don't know why—some people do, but I don't, and I don't have a helmet, by the way.

Two: The province has been talking about bicycle infrastructure—a report that they've been preparing for two years. It was supposed to have been released last year. This year, they're saying, "Soon," two years later. Do you know something that we don't?

Ms. Eleanor McMahon: I don't think so. What Minister Chiarelli has told me, and I think he said it publicly, is that he is committed to the bicycle policy. I've tried to urge him to move faster, primarily for two reasons, if I may, Rosario.

Mr. Rosario Marchese: No, no, because we won't have time—

Ms. Eleanor McMahon: It needs to happen—

Mr. Rosario Marchese: But you're waiting as well, like we are.

Ms. Eleanor McMahon: Yes, I'm waiting too.

Mr. Rosario Marchese: And you're pushing.

Ms. Eleanor McMahon: And the bureaucrats in the department are waiting, because they need some ministerial guidance about what to do.

Mr. Rosario Marchese: God bless. So the bureaucrats are waiting too.

Ms. Eleanor McMahon: Yes, they are.

Mr. Rosario Marchese: Okay. Bill 99: Are you familiar with it? Make June bicycle month—

Ms. Eleanor McMahon: Yes, forgive me. I knew that was Bill 99. Thank you.

Mr. Rosario Marchese: Davenport.

Ms. Eleanor McMahon: Yes.

Mr. Rosario Marchese: Do you like it?

Ms. Eleanor McMahon: Love it—

Mr. Rosario Marchese: We'll keep pushing.

Ms. Eleanor McMahon: —and so do Ontarians.

The Acting Chair (Mr. Michael Coteau): Okay, let's move on. Liberal caucus?

Mr. Vic Dhillon: Thank you very much for your presentation.

Ms. Eleanor McMahon: Thank you.

The Acting Chair (Mr. Michael Coteau): Thank you very much.

TTCRIDERS

The Acting Chair (Mr. Michael Coteau): Next we have a presentation from TTCriders. Welcome. You have 10 minutes for your presentation, and five minutes for questions after. Please state your name for the record, and please begin.

Ms. Wendy Baskerville: My name is Wendy Baskerville. I represent the TTCriders group. This is Joell Vanderwagen, who is also a member of TTCriders and has probably got the answers to the questions you may or may not ask after I give you this.

TTCriders is a public transit advocacy group that gives transit riders a voice. We're transit users who want more and better public transit in Toronto and its surrounding regions. We are another Toronto-centred group—I will point that out—but the things we need for Toronto I think we need for every city in the province.

We're dedicated to raising awareness of the necessity of establishing a comprehensive rapid transit network in the GTA, including buses, LRTs and subways where appropriate, our buzzwords being, "Above ground where we can, below ground only when we have to."

Ladies and gentlemen, we don't need more study about the effects of congestion. Any further study should be concentrated on solutions in the context of the province's existing smart growth policies. That there is growing gridlock in the GTA is simply a fact. Confirmation can come from any one of the million people who drive through this city every day, myself included.

The only solution to congestion is a complete transportation system that includes public transit, pedestrians, bicycles as well as motorized vehicles. The foundation for such a complete system is a land development pattern that clusters growth in mixed nodes and corridors, designed at ground level to provide good pedestrian access to all citizens to get to both local destinations and anywhere else in the city they might like to go.

Older areas of our communities, built before the 1950s, are already designed for transit and pedestrians. When I was young, we lived in Don Mills. I could take the Lawrence 54 bus to Eglinton station from Underhill and Lawrence, and I could get there in 25 minutes. Now it takes an hour, if you're lucky. In the 1980s, I commuted from Warden and Finch to school at Spadina and College. Door to door, it was about an hour and five minutes. If you can get there in two hours now, you're doing very well.

1800

Newer areas built since the 1950s are characterized by a scattered, low-density development pattern built for access by automobiles and trucks. These are the areas that generate the most traffic and have the greatest congestion problems. So the main issue is providing good transit service and better pedestrian access to that service from the mazes we have allowed to grow and multiply in these communities. To create a complete transportation system for these areas will require deliberate, coordinated efforts, but we don't see an alternative. There simply isn't an alternative.

A transportation system based mainly on cars and trucks will always be congested. Witness the Dallas-Fort Worth area, which has a huge and comprehensive network of expressways, as well as arterial roads that function exactly like expressways. These are now frozen in gridlock most of the time. I speak from experience. I've done business in Dallas; it's hell to drive there.

Adding more road space for cars will never solve the problem, because it is mathematically impossible. If we measure the space occupied by a car and multiply it by the number of drivers by the number of trips, there will never be enough space in a car-dependent system. For comparison, the Yonge Street subway carries over 700,000 riders a day, the equivalent of seven Don Valley Parkways, and considerably faster.

We acknowledge the many people who need to drive: tradespeople carrying their tools; delivery people;

couriers servicing businesses of all varieties, large and small; utility service providers as well as emergency vehicles; and various other business people who must travel to multiple destinations. These necessary trips are paralyzed by this congestion. The only way to free up the roads for these people is to get everyone else onto alternate forms of travel, with public transit being the obvious priority for a city spread so far and wide.

To do that, however, requires a comprehensive transit network that serves multiple origins and destinations. Public transit should function as a pyramid of complete, integrated systems at local, crosstown and regional levels, and that is accessible to pedestrians at both ends of a trip. Thus, we must always think in terms of networks rather than separate projects.

On yet another front, if we were to implement new charges on drivers, we would need to have a positive alternative in place. Both London and Paris spent considerable time and money improving their already far-reaching systems before placing a premium on the right to drive a vehicle into the city core. It costs 30 Euros to drive in the city core in Paris. I know because I've paid it. Drivers need to feel comfortable with either leaving their car at home or paying for congestion-free travel.

However, congestion will only diminish when there is a large-scale shift to transit. This large-scale shift can only happen when a full transit network has been established that provides for many different destinations and kinds of trips. The only practical way to set up a full network quickly is to use the most available and economical means. Thus, we need to stop thinking of rapid transit in terms of huge construction projects. We must begin looking at interlinking smaller projects as well as making use of existing rail lines and road space.

For example, the Stouffville GO Transit line could be adapted to provide all-day, two-way service for eastern Toronto and the city of Markham, connecting people to both downtowns, as well as other destinations in between, with the use of surface feeder routes. The Georgetown corridor could do the same for the western part of Toronto and the airport district.

If the new air-rail link were electrified from the beginning, it could quickly stop and start at a series of stations along the way to the airport. By giving many more people access to that service, there will be ample revenue to charge lower fares, more in keeping with the current GO service. As simply an express service from downtown, it will price itself out of the market and fail to fulfill its vast potential as a link in a regional transit network. We will find ourselves right back here in five or 10 years discussing what to do about it, and the cost by then can only be horrendous. I offer you the example of the subway to nowhere: the Sheppard line.

The northern part of the GTA desperately needs an east-west rapid transit line. Highway 7, we think, is the obvious solution. The multi-billion dollars spent tunneling an underground subway line to the Vaughan town centre could have been better spent putting a light rail service straight across Highway 7 from one end to the other. We cannot and would not want to stop that subway

line now, but we suggest looking at the possibility of using LRT on Highway 7 as a priority.

To implement low-cost alternatives will require that, in some places, road space be used as dedicated lanes, as it will be on Sheppard, for buses or light rail. If designed as part of a full network, these new services will attract many riders and thereby free up road space. Ultimately, they do not take away road space; they create it. That is the key to reducing congestion.

Where new infrastructure is required, we need to be aware that big capital expenditures attract special interests like a swarm of flies. There is new technology that wants to be promoted, parcels of land that want to be developed, construction companies that need work, and special events that need a showcase. While all of these may be legitimate objectives at certain times and places, they tend to distort the planning process. Thus, scarce resources are used to create projects instead of networks. This has the effect of displacing the real purpose of transit: to carry as many riders as effectively as possible. We do not have the luxury to be doing business this way anymore.

It is this point which leads me to mention the proposed turnover of TTC projects to Metrolinx. Why do we need two transit agencies and two levels of government involved in the detailed implementation of a local project? Why invade this arena of municipal jurisdiction and responsibility? Can we even imagine how much valuable staff time will be consumed as provincial and city officials have to negotiate the resolution of practical problems on a block-by-block basis, especially on a project of such extraordinary complexity as the underground portion of the Eglinton line?

These are steps the TTC has already worked through. They are already working on and preparing for these projects to be implemented. What will be the cost in time and money to duplicate what has already been done? Is this a forerunner to yet another St. Clair disaster? The city of Toronto learned some very valuable lessons from that admitted debacle. The TTC will not make those mistakes again. Can Metrolinx even understand what happened there, without more time wasted?

In the face of declining oil reserves and increasing gas prices—

The Chair (Mr. David Oraziotti): Excuse me. Sorry, I need you to wind it up. That's your time.

Ms. Wendy Baskerville: Sure, I'm just about done.

Let me jump to here: I took part in multiple ride-alongs on various bus and subway routes out in Scarborough and North York before the epic March transit vote of Toronto city council. I heard the same thing over and over and over from your constituents: "Please get me to work faster."

Currently, a rider coming in from Sheppard and Morningside with a job in the downtown core can count on 1.5 hours each way, if he's lucky. Generally, it's a two-hour ride.

We are robbing a citizen of four hours out of his day—four hours. We have to find a way to give that time back to our citizens.

The Chair (Mr. David Oraziotti): Thank you for your presentation. We appreciate that. The NDP caucus is up first. Mr. Schein, go ahead.

Mr. Jonah Schein: Thank you for the presentation and for the work that TTCriders have done.

It's my recollection—was TTCriders actually formed after the broken promise of \$4 billion in transit investment from the province a few years ago? Was that the origins of the group?

Ms. Wendy Baskerville: I can't speak to that. I'm not sure how long ago it was formed. I know that it has become extremely active since we've begun to have the transit issues that we have in Toronto.

Mr. Jonah Schein: I agree with almost everything that you said here. For folks who don't know, in Toronto—you mentioned the rail line to the airport. If we put basically a subway on that line, that would not take up any road space, would it?

Ms. Joell Vanderwag: The air-rail link, the tracks, right now are being built parallel to the existing Georgetown line, so there's no conflict. In other words, it's already-existing open space, so there's no problem with the surface route.

The thing about it is, because there's that surface route that exists, there's a unique opportunity for an inexpensive, major link in the regional transit surface network. It's a terrible shame to pass up that opportunity by putting in diesel. You see, the diesel engines take a long time to start and stop. If you put in electricity from the beginning, then you can have multiple stops—not like the Yonge subway, but sufficient stops that people who work at the airport can use it, and people throughout Toronto can have access to the service. Anyway, it would become a good link.

The Chair (Mr. David Oraziotti): Thank you for your response. Liberal caucus?

Mr. Vic Dhillon: Thank you very much for your presentation.

The Chair (Mr. David Oraziotti): The Conservative caucus: Mr. O'Toole.

Mr. John O'Toole: I do appreciate the time, Wendy and Joell. Obviously you're very passionate and committed, and I don't want to be a contrarian, but I do support transit. Where there's density, it certainly is the solution, and you've described it in the example of the Don Valley and the Yonge subway system. We've had some interesting presentations, and where there's density, transit certainly works. I'd be agreeable to that. Most of us here on this side are from east of Toronto, and we believe in handy transit, stuff like that—efficiency.

But I want to disagree with you, and I want this on the record. This is an article in the Sun recently: "TTC, Metrolinx: Give Us Transit, Not Excuses." I'm just going to, for the record here—it's really about Transit City:

"Like all giant transit projects, it's going to cost more and will take longer to build than we've been told and it's going to cause more traffic congestion...."

"Torontonians know from bitter experience this is what happens with every major transit project they're promised."

"In fairness, it wouldn't have been any different" with Ford's solution with transit.

"The only way Transit City has a hope of success is if Metrolinx and the TTC genuinely work together."

It's a governance model. When they first formed Metrolinx, the governance model was a complete failure. I was a transit critic at the time, and a transportation critic. They designed it so that it was all run by the minister directly. They gave five seats to Toronto, and they gave the other regions between York and Durham and that five seats, and the chair and the vice-chair were provincial appointees. They ran the whole thing. They couldn't solve one problem. They couldn't get the transit pass, like the Presto card—none of that. It was called the Oyster card, what they first looked at. They couldn't make a single decision. Now, the TTC has what I would

consider a culture issue internally; it doesn't function properly. No disrespect—it doesn't function properly. It needs to be blown up.

The Chair (Mr. David Orazietti): That's time.

Mr. John O'Toole: I would give it all to Metrolinx. There's such scarce money; let's fix the problem in Toronto, give Metrolinx the whole ballgame. Yes, they'll use the same people as the TTC; they'll all transfer over—they're transportation experts. I don't disagree with that. There's too much political interference, wards and all that kind of stuff. It's a mess.

The Chair (Mr. David Orazietti): That's time. Thank you very much for your presentation. Thanks for coming in today.

The committee is adjourned.

The committee adjourned at 1813.

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Official Report of Debates (Hansard)

Wednesday 13 June 2012

Journal des débats (Hansard)

Mercredi 13 juin 2012

Standing Committee on General Government

Aggregate Resources Act review

Comité permanent des affaires gouvernementales

Examen de la Loi sur
les ressources en agrégats

Chair: David Oraziotti
Clerk: Sylwia Przedziecki

Président : David Oraziotti
Greffière : Sylwia Przedziecki

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GENERAL GOVERNMENTCOMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES

Wednesday 13 June 2012

Mercredi 13 juin 2012

*The committee met at 1601 in room 228.*AGGREGATE RESOURCES ACT REVIEW
SUBCOMMITTEE REPORT

The Chair (Mr. David Oraziotti): Okay, folks, we'll get started, during our normal committee time for general government. We've got a subcommittee report, so if I could ask Ms. Scott to read the report, we can start.

Ms. Laurie Scott: Sure.

The Chair (Mr. David Oraziotti): Go ahead.

Ms. Laurie Scott: Your subcommittee on committee business met on Tuesday, June 12, 2012, to further consider the method of proceeding on its review of the Aggregate Resources Act (ARA) and recommends the following:

(1) That the committee meet in Dufferin–Caledon, Kitchener–Waterloo, Manitoulin Island and Ottawa for the purpose of touring quarry sites and/or to conduct public hearings on Wednesday, June 27, 2012; Monday, July 9, 2012; Monday, July 16, 2012; and Tuesday, July 17, 2012, or Wednesday, July 18, 2012.

(2) That the clerk of the committee post information regarding the committee's business in English and French on the Ontario parliamentary channel, on the Legislative Assembly website, and with the CNW NewsWire service.

(3) That the clerk of the committee place an advertisement in a major newspaper for one day in each of the locations where the committee intends to hold public hearings and that the advertisements be placed in both English and French papers where possible.

(4) That groups and individuals be offered 10 minutes for their presentations, followed by five minutes of questions on a rotational basis.

(5) That interested people who wish to be considered to appear before the committee on Wednesday, June 27, 2012, should contact the clerk of the committee by Thursday, June 21, 2012, at 12 noon.

(6) That if all requests to appear on June 27, 2012, cannot be accommodated, the clerk of the committee provide the members of the subcommittee with a list of requests to appear, and that each of the subcommittee members prioritize and return the list to the clerk of the committee by Friday, June 22, 2012, at 12 noon.

(7) That interested people who wish to be considered to appear before the committee on July 9, 2012, July 16,

2012, July 17, 2012, or July 18, 2012, should contact the clerk of the committee by Tuesday, July 3, 2012, at 12 noon.

(8) That if all requests to appear on July 9, 2012, July 16, 2012, July 17, 2012, or July 18, 2012, cannot be accommodated, the clerk of the committee provide the members of the subcommittee with a list of requests to appear, and that each of the subcommittee members prioritize and return the list to the clerk of the committee by Wednesday, July 4, 2012, at 12 noon.

(9) That the deadline for receipt of written submissions on the ARA review be 5 p.m. on Tuesday, July 17, 2012.

(10) That the clerk of the committee, in consultation with the Chair, be authorized to commence making any preliminary arrangements necessary to facilitate the committee's proceedings prior to the adoption of this report.

I move that said committee report be adopted.

The Chair (Mr. David Oraziotti): Ms. Scott moves its adoption. Questions or comments? Ms. Jones.

Ms. Sylvia Jones: I guess it's a form of friendly amendment. I see that we've listed five dates in our subcommittee report. The programming motion said that we could have four. I have a problem with July 9 and am wondering if we could amend the subcommittee report to just list June 27, July 16, July 17 and July 18. It would not change the dates that the subcommittee already discussed, but it would make my life a lot easier.

The Chair (Mr. David Oraziotti): Okay. The clerk has informed me that the way this is worded here is obviously to give us some flexibility around logistics, to figure where we can get to and what days we can get there. Obviously, we need to have some discussion around the number of dates because, as you pointed out, we've got five—we talked about that—that have some flexibility, but there will only be four. I'm not sure if the committee wants to comment on what days particularly we would like to try to get to certain locations. We seemed to have some agreement, tentatively, during the subcommittee meeting on what would work where and when to try to do our best to accommodate everybody's schedule.

Mr. Coteau, do you want to go?

Mr. Michael Coteau: Yes, at the subcommittee meeting that we had a couple of days ago, there was an agreement that June 27 was a good date, the 9th, the

16th, then we agreed that it would either be the—I'm sorry, the 27th and 9th, then we'd either take the 16th and 17th or the 17th and 18th. But I think there was an agreement that the three days combined were a bit too much. That was my understanding.

It was also my understanding that the 27th would be reserved for I think it was Kitchener–Waterloo and the 9th would be for Manitoulin Island, if that's correct.

The Clerk Pro Tem (Ms. Tamara Pomanski): Dufferin–Caledon—

Mr. Michael Coteau: Dufferin–Caledon, that's right, then the 9th would be at Manitoulin Island. Then the 16th, 17th or 18th—two of those three dates would be used for the remainder of the locations.

I don't think it would be a good idea to remove the 9th. It was my understanding that we agreed as subcommittee members at that time that those dates would actually work.

The Chair (Mr. David Orazietti): Ms. Jones, is there a particular location that you want to ensure that you're at, and on a particular date? Does the 27th work for you in Dufferin–Caledon?

Ms. Sylvia Jones: Yes, I have no issues with any of the other dates and I intend to participate as much as I can. I'm just trying to get away from the 9th.

The Chair (Mr. David Orazietti): Okay.

Interjection.

The Chair (Mr. David Orazietti): Unless there's another suggestion for another date, I—

Ms. Sylvia Jones: My initial suggestion was to extend it to the 19th, but when I realized you already had five dates there, by removing one, you still have the parameters of the programming motion that allow us to sit and travel for four days.

The Chair (Mr. David Orazietti): Right. I think part of the challenge as well, as I think there may be some members from all of the parties looking to sub in for members who are on the committee, is a little more flexibility with the dates being spread out a bit—

Mr. Rosario Marchese: I mean, I understand the argument that the subcommittee made, which is to try to break it up so you don't have three whole days. Are you going to be able to find someone else to sit in that day?

Ms. Sylvia Jones: Oh, yes. That's not the challenge; it's that I would like to participate.

Mr. Rosario Marchese: Then I think we should leave it the way the subcommittee had requested, because then it breaks it up better for people.

The Chair (Mr. David Orazietti): Can I just ask, on the 16th and 17th, is it the committee's preference that we try to identify that now, the 16th and 17th or 17th and 18th, for Kitchener–Waterloo and Ottawa, which would allow—they're larger urban centres—travel to Kitchener, and then we'd be able to fly to Toronto, perhaps, to get to Ottawa for—

Interjection.

The Chair (Mr. David Orazietti): Yes, go ahead.

Ms. Laurie Scott: I just wanted to not comment directly to your comments, but just say, is it okay if we

just added to the 19th, so just say 16th, 17th, 18th or 19th? We know there are only four days, but if that week—it doesn't necessarily mean they're all together; it just means there's just a—

Mr. Rosario Marchese: Laurie, what we're doing is saying the 27th and the 9th—that's one block—and then two more days. He's saying, we have to choose either the 16th and 17th or 17th and 18th as the other possibility.

Ms. Laurie Scott: Oh, I just thought if we gave four days, there's flexibility. It's just—

The Clerk Pro Tem (Ms. Tamara Pomanski): Sorry, just for clarification: Just in terms of logistics—because originally, we were thinking about, around the 16th and 17th, Kitchener–Waterloo and then Ottawa. One is west; one is east. We would have to probably take a bus to Kitchener–Waterloo for the day to do a quarry site or see that, plus public hearings, then we need to get back to Toronto. Then, maybe the day after, fly to Ottawa. It's purely logistics in terms of the timing. I could totally foresee the 16th being in Kitchener–Waterloo and the 18th being in Ottawa, just for logistics to get you guys back to Toronto and then fly to Ottawa.

Mr. Michael Coteau: So let's just agree to that, then—the 16th and the 18th—if that's okay with everyone.

The Chair (Mr. David Orazietti): I think we need agreement that—

1610

Ms. Laurie Scott: The 16th and 18th I'm not worried about. It's not—

Mr. Michael Coteau: Okay.

The Clerk Pro Tem (Ms. Tamara Pomanski): I just made it broad so it's easier, because we just met yesterday; just for logistics, just to kind of see how we can play around with it.

Ms. Laurie Scott: And we were just—yes, and I know at that point we didn't know that Sylvia couldn't—

The Clerk Pro Tem (Ms. Tamara Pomanski): Right.

Ms. Laurie Scott: It was just a matter that we didn't know at that point.

Have we further investigated Manitoulin, if that's even possible, on the 9th? Because I know we'd have to go up a Sunday night. That was my question. It might just be hard.

The Clerk Pro Tem (Ms. Tamara Pomanski): Yes, we looked into it. It's quite a hike to get there. It would definitely have to be a day before. The suggestions were—we contacted the Ontario Stone, Sand and Gravel Association, as per the subcommittee's request. They gave a bunch of options. There's one big quarry there. Maybe, Jerry, you want to speak to this?

Ms. Laurie Scott: I was just wondering about travel. Do we need to go up the day before? Is Sunday night a problem?

The Clerk Pro Tem (Ms. Tamara Pomanski): I'm looking—definitely, and where the quarry is, you can't have public hearings there. You can't stay there. So we'd have to fly to Meldrum Bay, maybe charter a flight, then

we'd have to go to maybe Espanola to stay over, then we'd have to have hearings. Manitoulin Island is going to be quite—

The Chair (Mr. David Orazietti): It's very difficult to get to.

The Clerk Pro Tem (Ms. Tamara Pomanski): It's very difficult, especially for the one day, unless the committee would want to just do the quarry site there and not do hearings, or whatever, because we only have one day. Granted, travel is not considered a day.

Jerry?

Mr. Jerry Richmond: Yesterday, Tamara and I, following the subcommittee's direction, had an extensive chat with Moreen Miller, the president of OSSGA. We batted around various options for the four travel days. She came back to us with a number of options. She has an excellent knowledge of their membership. Manitoulin is the most difficult one to get to, but it's doable.

Once we sort of firm down where we want to go, she indicated to us, of course, she has to then talk to their member companies and they have to make sure that we can go on the site on those days. We have to wear protective gear—

Interjection.

Ms. Laurie Scott: Yes.

Mr. Jerry Richmond: But anyway, she came back to us with some very doable options and it reflects some of the committee's interest to see pits and quarries on the Niagara Escarpment, some of them that are engaged in recycling, some of them that operate below the water table. And the one on Manitoulin relies upon Great Lakes Shipping to get its product to market, and also some of the options have the facility to use rail, so we worked in some of those options. We tried to cover all the parameters.

Ms. Laurie Scott: That's fine.

The Chair (Mr. David Orazietti): Thanks for that, Jerry. That's very helpful.

The 9th, for example—I mean, it's one thing to have a spot where it's convenient to fly in to, where you could have the hearings on the 9th. Given that Manitoulin Island is a bit more difficult to get to, is there any consideration, perhaps, of doing this on the 10th so that the travel day could be the Monday so it's not on the weekend when people have other commitments or family commitments, to try to get to that location?

Mr. Rosario Marchese: Did Sarah say that the 9th was better for her than another day? Because I don't know.

Mr. Michael Coteau: You know what? I know that she agreed to that, but I don't know if the 9th-10th would be better than the 8th-9th, to be honest, for her. Why don't we recess for five minutes and you give her a call, or two minutes?

Ms. Laurie Scott: Can I just throw this out there? If we need some more flexibility, why don't we do Manitoulin on the 16th and 17th and put Ottawa on the 9th or something? Is that maybe easier to do than trying to go up on a Sunday night? I'm just trying to make

Manitoulin have a little bit more flexibility of a weekday night, going up and getting rooms, as opposed—I don't know. I just thought—because I know that Sarah had mentioned—I wrote down her things if you don't mind me saying—the 16th or the 18th for Manitoulin were okay for her if you wanted to move Manitoulin, if you haven't done already too much work. I just don't know.

The Clerk Pro Tem (Ms. Tamara Pomanski): No, no, it was all just preliminary.

The Chair (Mr. David Orazietti): Yes, if we're doing Manitoulin on the 9th—

Ms. Laurie Scott: So maybe Ottawa on the 9th, if we wanted to—

The Chair (Mr. David Orazietti): —there's no way to do that without including the weekend for travel, if we leave Manitoulin on the 9th. So you're suggesting—

Mr. Michael Coteau: Can I ask a quick question in regard to getting there? Isn't it just a matter of just going to—is it Tobermory?—and then taking the ferry?

Ms. Sylvia Jones: That's one option.

The Chair (Mr. David Orazietti): That's one option.

Mr. Michael Coteau: Jerry, why do you shake your head?

Mr. Jerry Richmond: It turns out the quarry site, the big Lafarge quarry site, is on the western tip of the island. So even once you're on the island you have to travel quite a bit. Most of the—

Mr. Michael Coteau: How far?

Mr. Jerry Richmond: An hour or two.

Ms. Sylvia Jones: Yes, it's an hour and a half.

Mr. Jerry Richmond: Even if you were already on the island, most of the settled part of the island is on the east side and this quarry site is almost on the extreme western tip of the island. The island itself—the mainland to the north is joined by highway connection. The ferry runs from Tobermory to the south shore of Manitoulin, so most of the access is from the north.

Mr. Michael Coteau: Is there another site that's in northern Ontario that is easier to access that we could go to?

Ms. Sylvia Jones: If I may: I think part of the motivation for Manitoulin was the fact that it was unique in terms of its shipping and it is, I believe, currently the largest operating quarry in the province of Ontario.

Mr. Michael Coteau: Okay, that makes sense.

Ms. Sylvia Jones: So there were a couple of reasons why it was on the list.

Mr. Jerry Richmond: Moreen Miller also mentioned that once we work out our schedule, she might try to schedule with Lafarge a day when they're actually loading a ship, to see that they're loading their aggregate product onto a Great Lakes freighter.

Mr. Michael Coteau: Yes, makes sense.

The Chair (Mr. David Orazietti): I mean, I understand those concerns just around it's the largest, it's got some unique aspects. Are we hearing any comment from the communities in the area about there being concerns about that particular location? Would it generally make more sense to be in an area where there's more public

concern about where a quarry may be, than just simply because it's the largest quarry in the province? Or is there some particular motivation for seeing this?

Ms. Sylvia Jones: You'd have to actually review all the written presentations and requests that have already come in, but I don't think we put it on the list because it was of concern. I think we put it on the list because it was unique and it was doing some things that some of our deputants have raised about why aren't we doing more travel by rail and why aren't we doing more ships. That's why it was on the list, not specifically because we'd heard opposition.

Mr. Michael Coteau: I think we'll have an answer around the 9th or 10th.

The Chair (Mr. David Oraziotti): So Dufferin-Caledon on the 27th: Do we have agreement on the 27th for Dufferin-Caledon?

Mr. Rosario Marchese: It's good for me.

Mr. Michael Coteau: Again, it's not good for me, but I'm sure I'll be able to find someone. I said that yesterday or two days ago. Was it yesterday at the meeting? But I will try to find someone for that.

Mr. Rosario Marchese: It's the only one I can attend. I'm okay with that.

Mr. Michael Coteau: And I think that was part of the motivation.

Mr. Rosario Marchese: I would have loved to have gone to Manitoulin.

The Chair (Mr. David Oraziotti): Mr. Marchese, would the 10th work for Manitoulin?

Mr. Rosario Marchese: I'm trying to get a hold of Sarah to see if she could come in right away so that I could get some help here.

Ms. Laurie Scott: It doesn't work for me.

The Chair (Mr. David Oraziotti): It doesn't work for you. Okay.

The Clerk Pro Tem (Ms. Tamara Pomanski): We'd have to travel back on the 10th. Would you be able to go if we did that?

Ms. Laurie Scott: So do the 9th hearing and travel back on the 10th?

The Clerk Pro Tem (Ms. Tamara Pomanski): This is how I see it: I see travel on the 8th, Manitoulin Island on the 9th and then travel back on the 10th.

Mr. Michael Coteau: That's three days.

The Clerk Pro Tem (Ms. Tamara Pomanski): Unless we don't have—

Ms. Laurie Scott: Now that we're getting the full story we're all like, "Whoa."

The Chair (Mr. David Oraziotti): Is there a way to—

The Clerk Pro Tem (Ms. Tamara Pomanski): Unless we don't have public hearings.

The Chair (Mr. David Oraziotti): Unless we go there and see the quarry.

The Clerk Pro Tem (Ms. Tamara Pomanski): Unless we just go to the quarry and that's it, and we don't have to have public hearings.

Ms. Sylvia Jones: So the only way to do northern public hearings if we removed Manitoulin or something adjacent to it would be Ottawa? There's a lot of extraction that happens in the north.

The Chair (Mr. David Oraziotti): We only have so many days, right?

Ms. Laurie Scott: If we had to go up the night before—just tell me if I'm wrong on this—to wherever it be, Sudbury or Espanola, then we have to go to the quarry and back to Espanola. Is that four hours? Would that not be, to travel to—if we're already there the night before and we travelled from wherever to the quarry—

The Chair (Mr. David Oraziotti): If you go into Sudbury on Sunday night and then organize transportation from Sudbury to the quarry on Monday by vehicle or bus—

Ms. Laurie Scott: Because you can drive that. The north part you can drive.

The Chair (Mr. David Oraziotti): Yes. You could fly into Sudbury, you could take a vehicle, go to the quarry, take the vehicle back at the end of the day and stay in Sudbury or fly back. But you're talking—

Ms. Laurie Scott: But it's not a whole day tour of the quarry, though. Is there not three hours we could—

The Clerk Pro Tem (Ms. Tamara Pomanski): We also add travel time.

Ms. Laurie Scott: So it's more than two hours travel time each way?

The Chair (Mr. David Oraziotti): You might be able to hold hearings in Sudbury—

1620

Ms. Laurie Scott: Yes, that's what I was just thinking.

The Chair (Mr. David Oraziotti): —at a location, at a hotel, wherever the group was staying, later in the day, for a few hours, and you could check off that there were hearings held in the north.

Ms. Laurie Scott: Yes, that's what I was thinking.

Interjection.

Mr. Rosario Marchese: And that would be the best place to have it, you're saying, right?

The Chair (Mr. David Oraziotti): I would think, generally speaking, that's where you're probably going to draw the largest—

Mr. Rosario Marchese: And in terms of where people would have concerns around that, it would be possibly there or somewhere closer to where the—

The Chair (Mr. David Oraziotti): I haven't heard concerns about the site in Manitoulin.

Mr. Rosario Marchese: I don't know either.

The Chair (Mr. David Oraziotti): But I think, logistically, it's difficult to do something on Manitoulin Island in terms of the—

Ms. Laurie Scott: Yes, that's fine. Fair enough. I understand that.

Interjection: There's no accommodation—

The Chair (Mr. David Oraziotti): For members travelling, I think what would perhaps make the most sense is to get to Sudbury the evening before, and then

some kind of transportation to the site on Monday. We'd have to figure out how long of a tour. You just need to get here, you need to see it, you need to have a couple of hours on-site, you need to get back, and then you could have a couple of hours of hearings. You could fly out either that night or the next morning—probably the next morning.

Ms. Laurie Scott: Right. So would that be too much to do—if we flew in the night before, whichever it was, do Manitoulin, fly out either that night or that morning—to put Ottawa in? I mean, where do the flights go?

Ms. Sylvia Jones: So, Sudbury to Ottawa, instead of Sudbury to Toronto and back?

Interjection.

The Chair (Mr. David Oraziotti): Yes, you could get Bearskin.

Ms. Laurie Scott: Yes, and we could put that in that—

The Chair (Mr. David Oraziotti): You could get Bearskin from Sudbury to Ottawa if you—

Ms. Laurie Scott: We could do that on the 16th and 17th.

Ms. Sylvia Jones: I know we've travelled in other committees where we do—

Ms. Laurie Scott: The 17th and 18th, yes.

Ms. Sylvia Jones: —it's quite common to do Ottawa-Sudbury, Sudbury-Ottawa.

The Chair (Mr. David Oraziotti): Yes, I know.

Ms. Sylvia Jones: Yes.

Interjections.

Mr. Jerry Richmond: It's not going to snow at that time.

The Chair (Mr. David Oraziotti): So you mean put Manitoulin on the 16th?

Interjections.

Ms. Laurie Scott: Yes. I was going to ask Sylvia—

The Chair (Mr. David Oraziotti): Or on the 17th?

Ms. Laurie Scott: —if we put Manitoulin and Ottawa in—

Interjections.

Mr. Rosario Marchese: So, the 16th, obviously, right?

The Clerk Pro Tem (Ms. Tamara Pomanski): So then we travel on the 15th, then?

Ms. Sylvia Jones: Yes, and then K-W goes to the 9th? So, basically, you're flipping Manitoulin and K-W?

Mr. Michael Coteau: Can you run through the dates that they've suggested so far?

The Chair (Mr. David Oraziotti): The dates? The 27th, the 9th—

Mr. Michael Coteau: Yes, but give me the locations now. The 27th—

The Chair (Mr. David Oraziotti): Dufferin-Caledon on the 27th. We haven't got a determination on the 9th on where we want to go, but what I'm hearing is—

Ms. Sylvia Jones: What we were just suggesting—

The Chair (Mr. David Oraziotti): —what you're suggesting is Kitchener-Waterloo on the 9th and then do Manitoulin on the 16th.

Ms. Sylvia Jones: And then Ottawa on the 17th.

The Clerk Pro Tem (Ms. Tamara Pomanski): Logistics—can we leave it open?

Ms. Sylvia Jones: Yes.

The Chair (Mr. David Oraziotti): We should group the—

The Clerk Pro Tem (Ms. Tamara Pomanski): Yes, just leave me something—

Interjections.

The Chair (Mr. David Oraziotti): Okay. The only thing we really need to clarify is—otherwise, there's enough flexibility in item number one on the subcommittee report that Tamara can take a look at the logistics here—if we're going to do Dufferin-Caledon on the 27th and Kitchener-Waterloo on the 9th, then we can work with the logistics on Manitoulin and Ottawa between the 16th and 18th.

Ms. Laurie Scott: Yes.

Ms. Sylvia Jones: I apologize for putting a wrench in it, but that makes my life a lot easier.

Mr. Michael Coteau: That's fine. Now, the only other issue, Mr. Chair, that we should agree on is, are we going to do half-day site visits, half-day public deputations for these? Is that the agreement?

Ms. Laurie Scott: Yes.

Ms. Sylvia Jones: I think that makes sense.

The Chair (Mr. David Oraziotti): I don't know that we have—

The Clerk Pro Tem (Ms. Tamara Pomanski): The information we got from the Ontario Stone, Sand and Gravel Association—that was kind of what we relayed—that was our wish list in terms of, like the morning for quarry sites and then the afternoon for hearings.

When you take in logistics of travelling to these sites and then doing the tours, then coming back—lunch, obviously—we're looking at approximately two, three hours of public hearings. Is that sufficient?

The Chair (Mr. David Oraziotti): I think that's—well—

The Clerk Pro Tem (Ms. Tamara Pomanski): And then, for example, Dufferin-Caledon, we would leave—

Mr. Rosario Marchese: But we would also have a good sense of how many people would be interested, so that if you have to stretch it out an hour, you might be able to do that, right?

Ms. Laurie Scott: We could do that. We may need to.

The Clerk Pro Tem (Ms. Tamara Pomanski): I guess it just depends, for day trips, what time you guys want to get back. The main thing is the day trips, like the Dufferin-Caledon, what time you want to get back to Toronto.

The Chair (Mr. David Oraziotti): And whether you want to be there another night or you want to be able to leave that day. We've had 30 presentations here on this. We've got a few hours for—go ahead, Ms. Jones.

Ms. Sylvia Jones: As I understand it, even with the programming motion and the agreement from the House leaders, we, as a committee, have the ability to extend beyond the traditional 9-to-5 day. If that means that we

start our tour at 8, then we can do that, if that logistically makes sense—

Mr. Rosario Marchese: Yes, it does.

Ms. Sylvia Jones: And we have the ability at the point where “if all requests cannot be accommodated,” we can also talk about extending the hearings beyond the traditional 5 p.m. or whatever.

Mr. Rosario Marchese: Yes, you could if you had to, yes.

Ms. Sylvia Jones: Yes, and I would like to suggest that you want to leave that flexibility there, in case you do need it for certain areas.

Mr. Rosario Marchese: But if we have a deadline in terms of whether people want to depute, then we’ll know, and we’ll be able to book the flights in advance and—

The Chair (Mr. David Oraziotti): Okay, well, just on the individual days—

The Clerk Pro Tem (Ms. Tamara Pomanski): The day trips—I’m thinking Dufferin–Caledon: Leave Queen’s Park at 7 a.m. to get to Dufferin–Caledon by 8:30, then quarry stuff. There are a few suggestions for different areas. Then lunch, then I’m thinking of starting around 2 p.m. until—it depends on what time you guys want to do deputations till—eat dinner and then drive back to Toronto. The main thing is for the day trips, because we’re not staying overnight.

The Chair (Mr. David Oraziotti): I mean, that’s fine. I would just say that if we can’t all go on all of these, and we’re going to be looking for members to sub in, when you say to another member to sub in, “Hey, do you want to get on a bus at 7 a.m.?” it’s going to be a little more difficult. Maybe not, but I think we should try to keep the schedule as manageable as possible, for the flexibility of all the members.

Mr. Michael Coteau: Did we agree that two to three hours would be—like, a three-hour cap for the day, and then three, four hours for the site visit? Can we just agree that the deputations would be held at three hours, then? Is that fine? Because with travel—

The Chair (Mr. David Oraziotti): If we have a tour, we have a tour.

Mr. Michael Coteau: We can’t squeeze two days in one.

The Chair (Mr. David Oraziotti): Ms. Jones?

Ms. Sylvia Jones: Only speaking for Dufferin–Caledon, you will be challenged if you limit it to two hours.

The Chair (Mr. David Oraziotti): Mr. Coteau said three hours, not two.

Mr. Michael Coteau: Three hours, yes. That would be fine. You know the community better—

Mr. Rosario Marchese: I think you’d get a good sense—

Ms. Sylvia Jones: Yes, okay.

The Chair (Mr. David Oraziotti): That’s 12 presentations.

Ms. Sylvia Jones: Yes.

The Chair (Mr. David Oraziotti): Well, I mean, we’re going to other locations, so—

Mr. Michael Coteau: Here’s the point. I say three hours, not specifically towards your community, but in general, only because if we’re travelling for three hours in a day, we’re stopping for lunch, we’re going on a site visit and we’re doing deputations. It’s 15 hours. You can’t squeeze that. So we have to be very specific. I would like agreement on the amount of time, just so we have a good understanding of what our day’s going to look like.

Mr. Rosario Marchese: Tamara or whoever, what does it look like? We’re talking about Manitoulin Island in particular, right, or other places?

Mr. Michael Coteau: No, we’re talking just in general.

Interjections.

Mr. Rosario Marchese: Tamara, can I ask you a favour?

The Chair (Mr. David Oraziotti): Are we okay with three hours for a tour of an aggregate pit?

Mr. Rosario Marchese: Yes, I think so.

The Chair (Mr. David Oraziotti): Is that adequate? Three hours for hearings and three hours for a tour? Then we’ve got to build in all the travel time and the additional to complete the day. If we can get some kind of rough—it might not be exact, but then we can get some logistical feedback.

What we need to do right now is we need to approve this—because we’ve got an idea on the dates and which dates are attached to which locations—and let Tamara come back with some of the logistics for the committee. We can have a conference call to follow up on this.

Mr. Rosario Marchese: Yes, sounds okay.

The Clerk Pro Tem (Ms. Tamara Pomanski): Full committee or by subcommittee?

The Chair (Mr. David Oraziotti): The subcommittee can do that.

The Clerk Pro Tem (Ms. Tamara Pomanski): Subcommittee agreement? Can the subcommittee agree to it?

The Chair (Mr. David Oraziotti): Can the subcommittee agree to this after? Okay.

Mr. Rosario Marchese: Can I just ask you a favour?

The Clerk Pro Tem (Ms. Tamara Pomanski): Yes.

Mr. Rosario Marchese: Tamara, if you could just summarize some of the changes that were being suggested to make sure that they’re okay. It sounds reasonable to me.

The Clerk Pro Tem (Ms. Tamara Pomanski): Okay. So we’re thinking, as mentioned yesterday, Dufferin–Caledon for June 27, switching to July 9 for Kitchener–Waterloo, and then between the 16th—

Mr. Rosario Marchese: July 9 for Kitchener–Waterloo?

The Clerk Pro Tem (Ms. Tamara Pomanski): Yes.

The Chair (Mr. David Oraziotti): Originally it was Manitoulin on the 9th. Manitoulin on the 9th is what was discussed?

Ms. Sarah Campbell: Yes.

The Chair (Mr. David Oraziotti): Yes. I mean, I understand if you’re—I don’t know—logistically, getting

from Kitchener to Ottawa, I had originally thought was probably more convenient, but perhaps either would work.

Ms. Sylvia Jones: Kitchener–Waterloo to Ottawa. How about back to Toronto, and then fly in?

The Chair (Mr. David Oraziotti): Well, you'd come into Toronto. Everyone would come into Toronto, bus over to Kitchener, hearings, back and fly to Ottawa.

The Clerk Pro Tem (Ms. Tamara Pomanski): Go home for an evening and then—

Ms. Sylvia Jones: That's two hours, Kitchener–Waterloo to Toronto and then Toronto to Ottawa.

Interjection.

The Chair (Mr. David Oraziotti): Well, Manitoulin Island is much more difficult to navigate and get to.

Mr. Michael Coteau: Mr. Chair, can I ask a quick question?

The Chair (Mr. David Oraziotti): Yes, Mr. Coteau?

Mr. Michael Coteau: A quick question: The Kitchener–Waterloo location and—what are the two?

The Chair (Mr. David Oraziotti): Dufferin–Caledon.

Mr. Michael Coteau: Do we have to see both sites? Can we limit it to one of them and then just focus on three of those locations and maybe do a visit—if we're going to Manitoulin Island, take two days for that and then do one of those sites in Ottawa? Is there a stark difference between those two communities? I don't know.

Ms. Sylvia Jones: Between Kitchener–Waterloo and Dufferin–Caledon?

Mr. Michael Coteau: Yes.

Ms. Sylvia Jones: Yes. Again, I'm going from memory here, but as I understand it, Kitchener–Waterloo was highlighted as an example where there was a lot of rehabilitation that has already occurred, and because Jerry is nodding his head in agreement, my memory is not lost. And of course, Dufferin–Caledon is the site of the proposed mega-quarry, so it has very unique challenges unto itself, which is why I don't want to box us in to saying three hours for all of them.

Mr. Michael Coteau: There is no site visit, really, there, right? Because it's just a proposed location. That should be—

Ms. Sylvia Jones: That I don't know.

The Clerk Pro Tem (Ms. Tamara Pomanski): Sorry, where?

Ms. Sylvia Jones: Dufferin–Caledon.

The Clerk Pro Tem (Ms. Tamara Pomanski): There are site visits.

Mr. Michael Coteau: But there is no actual—there's nothing that has happened on the site, right? It has just been kind of cornered off?

Mr. Jerry Richmond: The response that Tamara and I got from the Ontario Sand and Gravel with respect to Dufferin–Caledon, they put to us various options to visit various pits and quarries, operational ones. It's quite true with respect to the so-called mega-quarry in Melancthon. That's—

Mr. Michael Coteau: Are those smaller quarries any different from the Kitchener–Waterloo site that we'll go to?

Mr. Jerry Richmond: No. They're mid to major operations and they will also show some of these—

Mr. Michael Coteau: So there's no—we're going to see the same types of sites, right?

Mr. Jerry Richmond: They're going to show us various aspects of rehabilitation, recycling, below-water operations.

Interjections.

Mr. Michael Coteau: That's right. That was the reason. I remember that now.

Let's start from the beginning, Mr. Chair. Start with the 27th again.

The Chair (Mr. David Oraziotti): We may have to come back to a conference call on the specific locations. I think—

Ms. Laurie Scott: We're okay with the dates.

The Chair (Mr. David Oraziotti): We're okay with the dates? I think we're okay with the dates.

Mr. Michael Coteau: The 27th and 9th, the 16th, 17th or 18th.

The Chair (Mr. David Oraziotti): Right. Why don't we just approve this as it is and we'll come back and try to sort the dates out.

Interjections.

The Chair (Mr. David Oraziotti): Yes, the locations, coordinate the locations with the dates.

Mr. Rosario Marchese: David, if you could just call Sarah for these dates it would make it easier.

The Chair (Mr. David Oraziotti): Sarah, if you want to just let the clerk's office know which dates work and who can get where, then we can do that. Okay?

Mr. Michael Coteau: And just the other point: Have we agreed with the three-hour, three-hour, or no?

Interjection.

Mr. Michael Coteau: No? Okay.

Ms. Sylvia Jones: No. We're doing this as it is, correct? We're not adding the time limitations.

The Chair (Mr. David Oraziotti): We're not adding anything, but we're going to need to come back with some parameters at some point.

Approval of the subcommittee—

Ms. Sylvia Jones: I'd like to suggest that you come back with those parameters once you get your deputation list. It could fall under the same point as point 6.

The Chair (Mr. David Oraziotti): Okay. As long as we can get agreement from the subcommittee following approval of this. We don't have to come back to the whole committee on this. Are we okay with that?

Mr. Rosario Marchese: Yes.

The Chair (Mr. David Oraziotti): Okay. All those in favour of the subcommittee report? Opposed? Carried. Thank you.

The committee adjourned at 1634.

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First Session, 40th Parliament

**Assemblée législative
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**Official Report
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(Hansard)**

Wednesday 27 June 2012

**Journal
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Mercredi 27 juin 2012

**Standing Committee on
General Government**

Aggregate Resources Act review

**Comité permanent des
affaires gouvernementales**

Examen de la Loi sur
les ressources en agrégats

Chair: David Oraziotti
Clerk: Sylwia Przedziecki

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GENERAL GOVERNMENTCOMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES

Wednesday 27 June 2012

Mercredi 27 juin 2012

The committee met at 1351 in the Best Western Plus Orangeville Inn and Suites, Orangeville.

AGGREGATE RESOURCES ACT REVIEW

The Chair (Mr. David Oraziotti): We'll call the committee to order. Good afternoon, everyone, and welcome to the Standing Committee on General Government review of the Aggregate Resources Act. We had the opportunity this morning to tour a number of sites—very informative—and we're continuing this afternoon with deputations. We're going to start a little bit early as everybody's here and we're ready to go.

MR. KEN CRESSEY

The Chair (Mr. David Oraziotti): I'm going to call our first presenter, Ken Cressey. Welcome, Ken. Thanks for being here today. As you're aware, you have 10 minutes for your presentation and roughly five minutes for questions by members of the committee. Any time you leave will be allocated to members for questions. You simply need to state your name for the purposes of our recording Hansard, and you can start your presentation.

Mr. Ken Cressey: My name is Ken Cressey. Thank you very much for having me here today, and good afternoon, Mr. Chair and members of the Standing Committee on General Government. I thank you for this opportunity to address the committee regarding the review of the Aggregate Resources Act.

I would like to focus on three key issues: people's health, non-compliance of aggregate operators and penalties for non-compliance. I think for many people the concern over the environmental impacts that these operations do have should be put first in any decision-making on new and established pits or quarries. The concern is well-warranted and should be addressed.

Before I begin, I would like to point out that my late wife's name was Jeanine Filiatreault Cressey.

My late wife and I purchased a home in March 2008 at Snow Road Station, North Frontenac. Unknown to us was that a gravel pit was across the road. When we viewed the home, there were no signs of activity, just three and a half feet of snow. We were never told by anyone that a gravel pit was across the road.

In late October 2008, trucks came and hauled material for two weeks. We spoke to the township about this,

since the property was zoned residential and in a hamlet where their own bylaws state that no pits or quarries are permitted. The township spoke to the MNR and referred the MNR to me. I wrote to the MNR asking that the site be brought up to a better standard than existed. We also complained about the dust. In a reply from the MNR on February 13, 2009, they said:

"The requirement of operators to construct tree screens and perimeter berms is not controlled by the ARA or provincial standards but through the site plan. The site plan for a pit is normally drafted and approved by this ministry in a licence application while the site is virgin. The operator often chooses to add site screening on the site plan as a consideration to the impact on existing local landowners. The practice of screening has become commonplace in new applications for pits and quarries in Ontario but is not a requirement. In this case of a grandfathered licence, the site plan is a requirement after the licence has been issued, and no such considerations are required because the pit has been established in the area for many years with the authority to operate a pit without screening.

"However the operator is still bound by the ARA, provincial standards, and a site plan (when submitted and approved). I personally have visited this site for matters related to the licence application and have not completed a formal licence audit of the site yet. This licensee is required to erect a sign at each entrance and exit and to keep dust down to a minimum. I will notify the licensee of these deficiencies and have them corrected."

On March 11, 2009, again, we stated our position about dust and noise to the township when they wanted to sell the right-of-way to two gravel pit owners—the one that is causing our problems, the other pit was on the other side of the right-of-way which they wanted to sell. In the letter we sent to council we asked for an environmental assessment, again stressing the issues of noise and dust. We also stated that the issues had not been addressed and that it would have a direct effect on our quality of life. We were informed by the mayor of the township that an environmental assessment was denied.

In April, the gravel pit owner stopped at our home. He came to discuss the issues that we had been complaining about. In that conversation, Jeanine and I asked for a berm. His reply was no; that would cost him money. We asked for trees for a screen. He said that that he could do. They put in saplings two to three feet tall. The weeds

were taller. We told him that his site was depreciating our home. He said that his home was beside a gravel pit and that it was just fine. We asked what he was going to do about the dust, and he said he would use calcium or water to mitigate it.

Up to this point, no one had worked the site since we purchased the home in April 2008 except for two weeks in late October when they hauled material from the site.

At the end of April 2009, they began working in the site. In the later part of May, Jeanine began coughing for no apparent reason. We went to her doctors, where they ran tests on her to find the cause. They believed that the dust from the site was the reason for her coughing. Jeanine still continued to cough, and on June 29 Jeanine was advised to move from our home. Her coughing only became more severe, to where, on one occasion, she had bruising on her stomach from coughing. On August 6, 2009, the pit owner installed a portable crusher 300 feet from our home. This was totally insane. The noise and the dust was outrageous.

We called the township that day and asked for a bylaw officer to come. The reply we were given was, "We will not take the complaint, we will not send the bylaw officer, and the gravel pit owner can do whatever he wants from 6 a.m. till 9 p.m., and there is nothing you can do."

From the time the company started in late April 2009 till they finished in late September 2009, not once were any mitigation measures taken at all. On October 25, 2009, Jeanine, still coughing, died.

It took a letter to Dalton McGuinty to have an investigation started. It took 15 months, and on October 27, 2011, two days after the second anniversary of Jeanine's death, the trial was held. I was to appear at that trial as a witness. On the evening before the trial, the MNR prosecutor called me to discuss my testimony. I had asked if all the evidence—videos, photos, letters, including a letter from her medical practitioner advising her to move because of the continued respiratory distress—would be allowed. His reply was yes. A moment later he said, "I have another call." A few seconds later he comes back on the line. He says, "You will never guess who that was. It was the gravel pit owner and he has just pled guilty to a plea bargain." He says, "Thank you very much for your willingness to testify, but your testimony will not be required."

In the court transcript, all the evidence was suppressed and all questions put by the judge were avoided. The operator knew his obligations under the ARA and the EPA, but went ahead and did what he wanted. He was fined \$1,000. Anything concerning Jeanine was dismissed by the prosecutor. Two days after the trial, I received a call from the MOE asking why no charges for the dust were brought up. In a question to the MNR about the dust, their response was, "The scope of my investigation is directly related to the operation of processing equipment without a certificate of approval ... any concerns regarding dust or other tests relating to the environment should be directed to the MOE." That was Barrie Wilson from the MNR.

In a question put to the MOE concerning testing at aggregate sites, their reply was, "The MOE has not done testing at this or other aggregate sites around the province that I'm aware of. I'm not sure about MNR as the lead agency for these types of operations." That was from David Arnott, MOE.

I had a test done on a sample, and it found that it contained crystalline silica, a known and listed carcinogen. It took from February 7, 2009, which was the date of the initial complaint, till June 8, 2010, before any ministry officials came to this site. We were constantly telling the township of what was happening to Jeanine, yet nothing was done. We had asked for site plans, and in an email to the MNR, their reply was:

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"As stated in my email dated February 13, 2009, the gravel pit in Snow Road Station has had a licence since 2007. A site plan has not been approved for the licensed site yet. When a site plan is approved for the site, I will let you know and you can submit a request under the freedom of information and privacy protection act.... As of January 13, 2012, there is still no formal site plan."

In conclusion, I would like to say that no one has the right to treat anyone's environment in this way, whether it was Jeanine's or any human being's, especially not for profit. There needs to be accountability, greater enforcement with severe penalties imposed—including suspensions of licences—and acknowledgment to those who have been directly affected, and what actions and remedies have been taken by way of a public inquiry.

Jeanine should have never died, not like this. On behalf of my late wife, I thank you for the opportunity to speak to you.

The Chair (Mr. David Orazietti): Thank you, Mr. Cressey, for your heartfelt presentation.

I'll turn it over to the Conservative caucus for questions. Ms. Scott, go ahead.

Ms. Laurie Scott: Thank you for appearing before us today. I do pass my sympathies on for your late wife.

Mr. Ken Cressey: Thank you.

Ms. Laurie Scott: What we're doing is trying to figure out what parts of the process seem to be broken here. You have presented a very good case, that seems to be well-documented, of what went on. I apologize; it certainly should not have worked that way. Whether it's due to the enforcement that just was not done—and then having to go to trial for it to that extent, it just seems that that's not the way it should be done.

Mr. Ken Cressey: It took 15 months just to even get it to trial. When they did get it to trial, the prosecutor just dismissed everything. The worst part was that I was on the phone with this man, and I had told him how severe it was, and he just totally ignored it.

Ms. Laurie Scott: And the man was?

Mr. Ken Cressey: He was the MNR prosecutor. When he went to court, I just said, "Well, I guess you've changed sides. You've decided to become a defence attorney instead of a prosecutor," because that's what he sounded like.

Ms. Laurie Scott: So some of the stuff that was brought up should have been dealt with stage by stage, as soon as—

Mr. Ken Cressey: Yes.

Ms. Laurie Scott: Just to get this straight, you were there before the pit was—

Mr. Ken Cressey: Before they came in and started working.

Ms. Laurie Scott: But was it zoned that way before?

Mr. Ken Cressey: No. My wife died on Sunday, and they rezoned the property on the Friday just before she died. From what I understand, and even when I read the court transcript, even the owner didn't know if it was grandfathered. He said, "Maybe yes, maybe no." The prosecutor said he didn't even know if it was grandfathered.

I've got a letter from Minister Gravelle saying that as far as he knows, everything was legal—whatever that's supposed to mean. But the bylaws in that hamlet state that there are no pits or quarries permitted in a hamlet. So unless they altered it in order to accommodate them—would be the only way.

Ms. Laurie Scott: We only have limited time for questions, but if it's correct what's there in the area, the MNR needs some more tools for enforcement. Again, we're hearing consistent municipal awareness that there are possibly pits and quarries in the area—

Mr. Ken Cressey: I know Gord Miller struck on that, too. The municipalities will favour somebody within the area, "Oh, we can let it slide." I understand that part of it—but not to do what they did.

Ms. Laurie Scott: MNR oversight needs to be tightened up somewhat, from what I can gather.

Mr. Ken Cressey: The worst part was that the gravel pit owner himself came directly to our home, and we stood right there and talked to him. He gave us all these assurances that he was going to make sure that no dust and no noise, no nothing, was going to happen, and he turned around and did absolutely nothing.

I actually brought a whole valise of drugs because I ended up with the same thing. They said, down the road for me, I'm looking at having silicosis.

There's no accountability by anybody. Nobody is taking any responsibility for it. I've got condolences right up from Peter Kent. I even asked the federal government to intervene, because I knew that once it got in the hands of the MNR, it was going to get buried.

Ms. Laurie Scott: Thank you for that example. We appreciate your presenting today.

The Chair (Mr. David Oraziatti): The NDP caucus. Mr. Marchese.

Mr. Rosario Marchese: Mr. Cressey, based on your experience, what do you recommend to this committee by way of what we should do as we review the Aggregate Resources Act?

Mr. Ken Cressey: I think the one thing that has to be done is you're going to have to have more personnel for the MNR. You can't work with skeleton crews. That's impossible. There has got to be a better system for

enforcing it and there has got to be stricter penalties. If it comes down to taking their licences away, then so be it. It's no different than you or I. If we were in a car and we're impaired, we lose our licence. This man here just totally ignored all the regulations, all the laws, the EPA; just forgot everything and said, "Well, I can do what I want." It's even in the court transcript. He said, "I wanted to get this work done and I decided I was going to do it. I brought in a crusher that wasn't approved, so I went ahead and did it anyway."

Mr. Rosario Marchese: Mr. Cressey, just as a question, based on your desire to see more personnel, you're probably aware that the Ministry of Natural Resources has been cut down by 30% or 40%—

Mr. Ken Cressey: I realize that.

Mr. Rosario Marchese: —30%, as far as I know, over the years. You're saying that's not a good thing.

Mr. Ken Cressey: Of course it's not. You can also draw more revenue just out of bringing up the cost on a per tonne, out of the royalties that the ministry does have, in order to help finance the extra, additional personnel.

But it's no different than any police force. Do we start cutting back the police forces because we don't have the money? We can't. You have to maintain something, because they are going to get away with it, and it's no different than some of us, I guess, that try to get away with the odd thing now and then. It's the same thing with them, but with them it's more severe because of the amount of people that can be involved in it.

Mr. Rosario Marchese: Thank you, Mr. Cressey.

The Chair (Mr. David Oraziatti): Liberal caucus. Mr. Colle?

Mr. Mike Colle: I guess you're saying that there obviously have to be certain preconditions met before they can begin operations, and these preconditions were not met.

Mr. Ken Cressey: No, none of them were.

Mr. Mike Colle: And that being, there's got to be a buffer, a berm; there has got to be proper screening, and that wasn't in place?

Mr. Ken Cressey: None of that was, but there are also things within the regulations themselves, where it's a point of—

Mr. Mike Colle: Interpretation.

Mr. Ken Cressey: It's not an interpretation, but a point from where they exist to where any local landowner would be. It's like a buffer zone. With us, fence line to fence line is 60 feet.

Mr. Mike Colle: So you think there might be a recommendation we should consider about there being a buffer zone that would protect the local residents in proximity to the operation?

Mr. Ken Cressey: Yes. It's the same thing too: Nobody even knows what's in the dust that you're getting. Anything coming out of these sites, nobody even has a clue what you're getting, unless the MNR knows, and they're not telling you. I asked them about whether or not they were aware that crystalline silica was present, and as

far as I know, both officers at the time that were there didn't have a clue.

Mr. Mike Colle: So there might be another recommendation you would make, that there should be an inspection made of the site to do an analysis of the air conditions, air quality etc.?

Mr. Ken Cressey: Exactly, if not constantly monitored, because it's the fallout that everyone else gets.

Mr. Mike Colle: But also, there's got to be an inspection done of the air quality.

Mr. Ken Cressey: Yes. Actually, in my own opinion, I think a lot of these places do require environmental assessments, and I think even on established pits you need environmental assessments because they've continually grown. The policies are still 40 years ago, and now you've got a pit that started out as a one-man operation with one little dump truck, and now some company walks in, takes the whole thing over, and now we've got a pit the size of this mall.

Mr. Mike Colle: Thank you. I think you've made some very constructive recommendations. I appreciate it. Again, I think all of us know the tragedy you've been through.

Mr. Ken Cressey: Thank you very much for having me here.

Mr. Mike Colle: Thank you.

The Chair (Mr. David Orazietti): Thank you very much, Mr. Cressey. That's time for your presentation. We appreciate you coming in.

Just one other item before we go to the next presenter: For the benefit of the public and folks that are here and to ensure that it's on the record for the committee, committee members and other MPPs have received correspondence from individuals requesting a visit to the Melancthon site, or what has been referred to as the mega-quarry. The committee discussed that earlier today, and the committee will be making a visit to the Melancthon site at the end of hearings today, so we'll be doing that later today.

We'll continue with the hearings.

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MR. ROBERT WELLS

The Chair (Mr. David Orazietti): Our next presenter: Robert Wells. Good afternoon, Mr. Wells.

Mr. Robert Wells: Good afternoon. Thank you very much.

The Chair (Mr. David Orazietti): As you're aware, you have 10 minutes for your presentation and five for questions. If you'd simply state your name, and you can start when you're ready.

Mr. Robert Wells: Thank you very much for having me here today. My name is Bob Wells. My wife and I have a home near the site of the proposed mega-quarry in Melancthon, which you'll be visiting later today. I'm retired. I have a post-graduate degree in economics and my working career was in finance, initially as a chartered accountant, then as a finance executive and as chief

financial officer of a large financial institution; hence my interest in the mega-quarry and the financial aspects of it.

The Chair (Mr. David Orazietti): Sorry, can you just put the microphone a little closer? Members of the public are having a hard time hearing you. Thank you.

Mr. Robert Wells: In this presentation, I propose that the Aggregate Resources Act include the requirement to calculate total costs to the public of aggregate extraction. This information would be used as a basis for review of applications and a determination of licence fees. This can help Ontario meet the demand for aggregates, better understand and quantify the conflicts over land use, and pay for the public costs of quarries.

To save time, I will not go into details. Instead, I have provided a list of references in the handout.

I will cover three things. First, I will give examples of full costs to the public; second, I will describe how the minister would use these costs; and third, I will review the benefits of using costs to the public.

First, what I mean by "full costs to the public" is all the costs that the people of Ontario will have to pay as a result of aggregate extraction. Today the public, rather than the companies that extract and process aggregates, ends up incurring many costs of extraction, often long after the fact.

The things that cause such costs have been covered in these hearings: quarry rehabilitation, road construction and maintenance, lost farmland and rivers, polluted or exported water, air contamination and other environmental damage.

To show how determining full costs would work, I will talk about two costs from this list, air pollution and water, and I will add one type of cost not mentioned so far: legal avoidance of corporate income taxes. I will refer, as an example, to the proposed mega-quarry owned by Baupost, a Boston-based hedge fund.

My first example of cost is air pollution. This is the cost to society of carbon emissions and pollutants. The British Columbia government has determined rates for their carbon tax. The Ontario Minister of Natural Resources could use the BC rates or similar rates not as a tax, but to determine the cost of air pollution from a quarry.

The second example is water. Using the Melancthon mega-quarry again as an example, the Baupost application states that up to 600 million litres of water a day will be extracted in perpetuity. That's about half of Toronto's consumption. If this water is polluted or exported and therefore no longer available, there will be a resulting cost to the people of southern Ontario. Orangeville 2012 water rates, applied to this volume of water, would give a cost of about \$300 million per year; if you used Toronto rates, about half a billion dollars a year. Again, the minister could use these rates to determine water costs. Both these costs could be adjusted for risk.

My third example of a cost that the minister should consider is legally avoided corporate income taxes. We don't usually think of taxes avoided by companies as

being a cost to us. However, if companies legally avoid paying income taxes, then the result is lost tax revenues, and that eventually becomes a cost to the people of Ontario.

I've provided references that explain the following:

—Legal avoidance of corporate income taxes occurs in Canada, and Ottawa is concerned about it.

—Nova Scotia unlimited liability companies are used by sophisticated investors to legally avoid corporate income taxes.

—Also, these structures can protect shareholders from creditors.

—Baupost, the owner of the Melancthon mega-quarry properties, is using these Nova Scotia unlimited liability companies.

This is how Baupost can legally avoid income taxes and protect itself from future claims. Therefore, the minister should consider this as a cost to the people of Ontario when deciding on aggregate applications and licence renewals.

All these public costs could be in the billions of dollars in the case of Baupost's Melancthon mega-quarry.

That concludes my three examples of costs.

The second part of my presentation addresses how to use the costs in the administration of the ARA. I suggest that the minister should calculate total costs to the people of Ontario for large, risky, below-water-table aggregate extraction projects and not approve applications or licence renewals if these costs are unacceptably high; and approve applications and licence renewals if these costs are acceptable, but with the requirement that the annual fee covers total costs. Smaller, less risky, above-water-table quarries would be exempt from this requirement.

It is noteworthy that the United Kingdom aggregate levy rate applied to the estimated one billion tonnes of aggregate in the proposed mega-quarry would result in total fees of over \$3 billion.

The third part of my presentation is the expected benefits of using full costs to the public as part of the evaluation of quarry applications.

The first one is, operators of smaller, less risky, above-water-table quarries could better compete with the large, risky, below-water-table quarries. This would increase supply from smaller operators.

Second, low-cost quarry operations located far from market could better compete with high-cost operations close to market. This would encourage a greater supply of aggregate from distant suppliers and therefore reduce demand for aggregates from near-market, more populated areas and farmlands.

Third, the price of aggregates would obviously increase because the costs would include all the costs to the public, but this higher price should better regulate and reduce demand, and, in some cases, reduce excess profits.

Fourth, the increased fee would pay for all the public costs of aggregate extraction.

And lastly, any quarry applications or licence renewals that have unacceptably high costs and risks and are there-

fore deemed unacceptable by the minister would be rejected.

In conclusion, the value of the Baupost quarry is estimated at \$20 billion. Baupost's total land holdings in this area is four times that, so the total value that Baupost now has is probably much higher. Much of this new value to Baupost was gained at a cost to the people of Ontario. Using public costs to review the Baupost application and others like it will contribute to correcting this situation. Thank you.

The Chair (Mr. David Oraziotti): Thank you for your presentation. The NDP caucus is up first. Ms. Campbell.

Ms. Sarah Campbell: Thank you very much for your presentation. I think you did a really good job of presenting a kind of holistic approach that has addressed many of the issues that we've heard through several of our meetings. I appreciate the fact that you're looking at alternate ways where we can address the real cost—that's a recurring theme that we've heard. Also, by looking at ways that we can increase the fees, we can deal with such issues as MNR oversight, the real cost to municipalities and stuff like that.

Just more so a comment, so you can go ahead with your question.

Mr. Rosario Marchese: Yes, just quick comments—because I liked the presentation. I think the whole idea of increasing cost to those who extract aggregate as a way of covering some of the social costs that we have is a very useful idea. Many of the aggregate companies agree that we should increase the levy. They're saying this voluntarily, which is interesting. Maybe they're anticipating the fact that it's going to happen anyway. But your twist is that it should cover the total social cost it has to society, and I find that that is an interesting idea.

The legally avoided corporate income tax is something that doesn't just happen in this sector; it happens in all sectors. There are many parties here who like the idea of being open to business and they like the whole notion of legally avoided corporate taxes. I'm not a big fan. I think we need to tighten it up. So I wanted to articulate the fact that I like your suggestion. If we have more people saying these things, we could get all political parties to agree, but it will take time. But I wanted to say that I support your suggestion. Thank you.

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The Chair (Mr. David Oraziotti): Thank you. Mr. Colle?

Mr. Mike Colle: Yes, I'm wondering if I can get research to give us some background on this Nova Scotia unlimited liability legislation and how it impacts on determining any kind of oversight that Ontario may have over a company that's registered in Nova Scotia in this manner. If we could get a bit of background on that.

Thank you on that, I think, very pragmatic presentation. So you're not against quarries, but you're saying there should be some reward and costs applied? In other words, if a small quarry doesn't go below the water table, it's much different than a mega-quarry that goes below

the water table and uses incredible amounts of water. So this should be looked at differently.

Mr. Robert Wells: Yes, if I understand your question, it's should we segregate or have a two-track process, I guess. To start off, I think I'm not against quarries. I mean, we're surrounded by cement here, so no one can really take a position that they're against quarries.

What appears to me to be happening from, again, a finance perspective is that the existing policies incorporated into the act and the administration of the act seem to favour some suppliers of quarries. Close to market has a big factor. Large quarries is a big factor. In the case of the Baupost purchasing this aggregate supply here, both those things apply.

What I think is that you have to allow quarries, but you have to take a decision on allowing quarries and setting the fees based on the total cost. In the case of the Baupost one, for instance, if you take a realistic view of the costs, I don't think society in this area of the world can afford to permit that quarry to go ahead. If the cost of water materializes, there's no way of paying for that. Baupost has set itself up to be protected from liabilities so they can avoid paying for it. So where costs are prohibitively high, I think the minister should reject the quarry application outright, no matter what.

Smaller quarries that don't demonstrate any of the fundamental characteristics of high cost, be they small or remote or well above water tables—those quarries you could probably give a fast track to, which would give them a competitive advantage, which I think would be a good thing, because one of the presenters to these hearings in the last session was representing those small quarries and saying that they were burdened by the same process as large quarries and that it was really putting them out of business. So open it up to the smaller, less-risky quarries and allow them to compete.

This also advocates opening it up to the faraway quarries, allowing them to compete. Now, the ministry's close-to-market policies really prohibit anybody from far away, even if they have less cost, from competing. So open it up and have a level playing field.

The Chair (Mr. David Oraziotti): Thanks, Mr. Wells. I need to stop you there. Ms. Jones, go ahead.

Ms. Sylvia Jones: I'm actually going to continue in that same vein. Would you be suggesting, in terms of the levy right now that's paid per tonne as the material is taken out—there's a set levy. As we've already heard, there has been a lot of discussion at these hearings already that that levy should be increased. Would you suggest that if the quarry is operating above water table, below water table, the levy would be different? Large and small would be different? Is that where you're going? I don't want to put words in your mouth.

Mr. Robert Wells: What I'm suggesting is that the minister take into account costs in his decisions about, "Do I approve? Do I not approve?" You could extend that to the fees. A logical extension into the fees would be if the minister consistently sees that the cost of what I would call risky quarries is higher than those of less-risky

quarries, which is pretty obvious to me. But anyways, it needs to be researched.

If there are levels of cost, then obviously you'd apply a lower fee to less-risky, less-costly quarries than the others. But start not with people's notions or ideas or copying something; start with some research on costs. As a ballpark number, the UK fee is, I think, £2.10 per tonne, which is roughly 30 times the existing fee here. At the same time as you're looking at costs, don't be afraid of a really, really large increase, because that's probably what you're talking about.

Ms. Sylvia Jones: Thank you for your presentation.

The Chair (Mr. David Oraziotti): Thank you very much for coming in today. That's time for your presentation.

MR. RON LEHMAN

The Chair (Mr. David Oraziotti): Folks, our next presentation: Ron Lehman. Good afternoon, Mr. Lehman. Welcome to the Standing Committee on General Government. As you're aware, you have 10 minutes for your presentation—

Mr. Ron Lehman: Pardon? I can hardly hear you.

The Chair (Mr. David Oraziotti): Sorry. You have 10 minutes for your presentation—welcome to the Standing Committee on General Government. You have 10 minutes. Please state your name for our recording purposes.

Mr. Ron Lehman: Good afternoon. My name is Ron Lehman. I am a resident of Orangeville who is deeply concerned about the proposed Highland mega-quarry. I thank the members of the committee for traveling here today and allowing me to share those concerns.

"Red herring" is defined as "a clue to be misleading." This is and has been the modus operandi of the Highland Companies since landing in Melancthon township in 2006. It is a red herring of monumental proportions aimed at making billions of dollars at the expense of an ecosystem/farmland unique in its composition anywhere in Canada. According to statistics, Canada has less than 1% of class 1 land of its land mass to produce food for the 34 million inhabitants, and that includes, ladies and gentlemen, the vastness of the grain-producing prairies.

With a short growing season, disappearing farmland to housing expansion and other venues, we don't need to lose approximately 10,000 acres of prime farmland to a lake and other forms of destruction of the Honeywood silt loam in and around Melancthon township. Lakes are nice, but we have enough in Ontario now.

This is very important what I'm going to say now. I pray you please listen very carefully. On May 15, 2000, Walkerton, Ontario, residents began getting sick from drinking tap water from the municipal water system due to pollution. Today, the Ministry of the Environment has an ambitious program under way to protect drinking water with source protection, to uncover any and all sources which might contaminate our drinking water, meaning sewers, road salt, chemicals, farm runoff etc., all

with citizens' participation. We had an open meeting with MOE employees on April 17 of this year here in Orangeville seeking to find anything which will contaminate our drinking water.

With all the talk of contamination from digging a 200-foot deep quarry and pumping 600 million litres of water daily to keep the aquifer viable to grow food in Melancthon township, it seems to me the Ministry of Natural Resources is at cross purposes with the Ministry of the Environment. One wants clean drinking water; the other could potentially contaminate it forever.

The new 2012 summer edition of *In the Hills* has a very disturbing article on page 4 by publisher/editor Signe Ball where she makes reference to Highland Companies seeking a take-water permit to extract—strangely enough—600 million litres of water a day to probably sell on the open market. This comes as no surprise to me, hearing of this just last Friday. I suspected something like this when I first heard of the vastness of the mega-quarry scheme two years ago.

So, initially Highland told us they were going to pump 600 million litres of water a day. They didn't tell us they may want to pump it into bottles to sell for profit. Maybe there won't be a lake or rivers or wells or fish or birds or trees and, strangely, potatoes growing under water.

A great book to read, *The Man Who Planted Trees*, is the story of a Frenchman who went to live in a remote region in France devastated by deforestation after losing his wife and daughter. He planted millions of trees over many years, lost his gift of speech because of isolation but brought back the rivers, birds and, finally, the people. Before he died he was cited by the French government of the day for his efforts. You can find it all on Google. We don't want this in Melancthon or any other township in Ontario.

So is it limestone and water Baupost hedge fund manager Seth Klarman is after? The end result will be destruction of a large part of southern Ontario and five or more rivers by a profit-seeking foreign entity, and it needs to be stopped post haste.

I do not have time or resources here to present all the facts in the publication *In the Hills* or the Clean Water Act proposed. Instead, I respectfully request those with interest to read them.

As much as any government wants it both ways, this is one time someone in government is going to lose, and I hope and pray it's not the MOE. This large corporation—referring to government—must divulge what both the left and the right hands are doing. Taxpayers in this province deserve nothing less than an open, honest flow of information on the results of what can be called a very rude intervention on our lives by the outdated Aggregate Resources Act and Highland's proposed mega-quarry.

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We also deserve nothing less than pure drinking water and excellent food production from existing farms. With the world's population exploding, food production must take precedence over rock picking. If Highland wants to pick rocks, there are over 2,000 miles straight north and

over 4,000 miles east to west to select from, which are outside the farmland we need for food production. Let them go there or back to their respective countries, because we can't grow food on the rock in the north country. Or Highland/Baupost could go to the 25,000 acres of ranchland they own in northern California for water and limestone before they develop it for their wealthy clientele.

I have worked in our marvellous Northwest Territories and seen the pristine lakes, rivers, permafrost, oceans and the vastness of a lonely land that allows very little to grow higher than eight or 10 inches during summer months. As harsh as it may seem, it is very fragile, and so is our land in Melancthon and area. Like our Inuit brothers and sisters, we, too, rely on the land for our livelihood. Inuit do not destroy the land they live on; mining companies do.

If you want to know what a huge quarry looks like, perhaps you noticed the quarries south of the town of Caledon on each side of Highway 10 on your way here today. If you missed them, stop and have a look on your way home to Toronto, and multiply that by six or seven to realize what Highland Companies wants Melancthon township to look like. I've lived in this area since 1970 and followed many gravel trucks down Highway 10 and had many windshields broken by flying stones over the years, going to work in the morning. I am overjoyed at the prospect, now that I am retired, of not having to negotiate my way through up to 300 trucks an hour, 24-7, using the local roads to deliver their rock loads if this quarry is approved. Perhaps their loss of gravel will relieve the Ministry of Transportation from salting the roads in winter, making us all healthier, happier and richer.

If you go to Wall Street in New York City and randomly ask any well-dressed businessperson going to work in the big buildings on that famous street about Melancthon township, they will tell you that it's in Ontario, Canada, and it will be host to a very large limestone quarry expected to make the owners of a hedge fund extremely wealthy. One such person was heard to remark, "The stupid backwoods Canadians don't know a good thing when they see it." Well, I am neither stupid nor am I backwoods. If I want to meet people like this, I'll go to the Ozark Mountains in the United States of America.

In conclusion, I passionately and respectfully petition all MPPs to update the ARA to disallow this mega-quarry and any other because of its size, in view of its impact on the citizens of Ontario and our precious lands and rivers, this to include the taking of our water for profit. Both land and water are ours and are not for sale.

Thank you for your time and your interest. I hope wise decisions will come of these hearings.

The Chair (Mr. David Oraziotti): Thank you very much, Mr. Lehman, for your presentation.

We'll go to questions. Mr. Colle, Liberal caucus.

Mr. Mike Colle: I'd like research to give us a bit of context in terms of taking water permits and what's

allowed, since the presenter made reference to the fact that the company he referenced is looking at potentially selling bottled water—just to see if there are processes in place that regulate the selling and extraction of water.

The Chair (Mr. David Oraziotti): Okay. Noted.

Mr. Mike Colle: And what is the name of that man who planted the trees in France? You didn't mention his name.

Mr. Ron Lehman: I looked it up, but I didn't write it down; I should have, perhaps. He's quite an individual. He died maybe 15 years ago. He was an amazing human being. The book is a very famous book.

Mr. Mike Colle: Thank you very much for your excellent presentation.

The Chair (Mr. David Oraziotti): Conservative caucus: Ms. Jones, go ahead.

Ms. Sylvia Jones: Because these hearings are related to looking at the current Aggregate Resources Act, seeing what needs to be changed, what needs to be updated, would you like to see a change in the ARA that would trigger either an automatic EA with a certain size application—near the end, you talked about, because of the size. Is there a specific recommendation that you have for us as committee members? Should there be a trigger based on size?

Mr. Ron Lehman: Sylvia, you're my MPP, and you and I know one another a little bit. There are enough quarries in this area now. When I made reference to go north, there's lots of areas outside of this area. Sure, as Bob said, there's lots of concrete in the ground here in this area, and I think we should just leave it alone. This is an area that's got millions of people who rely on this—food, the water and all the beautiful countryside that we have. Stop having quarries. Size, as far as I'm concerned, shouldn't matter. Big or small, we've got enough now.

I knew Conn Smythe when he was alive. He started this quarry down here in Caledon. His name used to be on that little building that's still there. I talked to him. For him, it was just money—money, money, money; they can't get enough money, these people, and they don't care. When they're all finished with this whole thing, they're going to walk away and leave us with a mess, guaranteed. That's just the way these people operate. They don't give a damn.

Ms. Sylvia Jones: But we, as a committee, also have a responsibility to make sure that no matter where they are, they are done safely and in relation to respect for the environment. While I understand your point about "When is enough enough?" we have to make sure that the ARA is set up in such a way that all of Ontario is protected, quite frankly, whether you're protecting a single bird or thousands of—

Mr. Ron Lehman: Sylvia, what I would really like to see is the Ministry of Natural Resources draw a line way north of this area where our farmland is. We're screwing up our farmland. We're taking it every day. Take a look at what's going on—go down all the highways north and south. My God, it'll just be a big subdivision, before you know it, from here to Toronto.

Ms. Sylvia Jones: So would the ARA amendment be that A1, A2—certain classes of farmland—are protected? I mean, I'm looking for suggestions on how the ARA can be updated.

Mr. Ron Lehman: Do I have to make myself totally clear on this?

Ms. Sylvia Jones: Yes.

Mr. Ron Lehman: Stay away from farmland. Anything where there's food grown, stay away from it. No quarries, period. Period. Absolutely period. I mean, is that clear enough for everyone to understand that?

The Chair (Mr. David Oraziotti): Crystal. We've got it.

Mr. Ron Lehman: Thank you very much.

The Chair (Mr. David Oraziotti): Thank you. We need to—

Mr. Ron Lehman: Go north. There's lots of rock up there. I've been to the Northwest Territories. I've been in every province and in every city in this great country. I've been to the Magdalen Islands. I've seen everything in this country, believe me. I'll tell you, there's lots of rock to be had anywhere. They don't have to come here and ruin our great farmland. This farmland we have up here is unique, and I mean utterly unique. I've driven across the prairies when the grain is coming and seen what's going on there year after year. I love this country, and I can't stand people coming in here to ruin it. And you people in government have got to wake up and say, "No more." Put your foot down and say, "No more."

The Chair (Mr. David Oraziotti): Mr. Lehman, thank you—

Mr. Ron Lehman: Never mind all this nonsense about, "Oh, should it be class 1 or class 2?" No. Draw the bloody line and say, "This is as far as you guys can go."

The Chair (Mr. David Oraziotti): Just one more question. NDP caucus: Go ahead, Ms. Campbell.

Ms. Sarah Campbell: Thank you for your presentation. Just sort of building on some of the questions that Sylvia asked you, what, in your view, other than protecting farmland, can be done, if anything, to address your concerns and also allow quarries to go ahead, maybe in other parts of the province? It sounds like you're—

Mr. Ron Lehman: I think I made that very clear, Sarah. Go north. Go north. There's all kinds of rock up there. Sure, somebody says, "Yeah, come to Melancthon township. The word is out." Go to Wall Street. They know where Melancthon township is on Wall Street—oh, yeah. They know. They really know. They think we're a bunch of stupid bloody Canadians, and I really mean that, because I've talked to them down there. I know. I almost got into a fight with a couple of black guys right on Wall Street because of this last year. I'm tired of this nonsense of people coming into our country and telling us what to do because they want lots of money in their pocket.

Mr. Rosario Marchese: Mr. Lehman, a quick question—

Interjection.

Mr. Rosario Marchese: If there's no time, that's fine.

The Chair (Mr. David Oraziotti): I think we're over the time.

Mr. Rosario Marchese: Very good. Go ahead. Move on.

The Chair (Mr. David Oraziotti): I think we're going to move on.

Thank you very much, sir, for coming in today. We appreciate your presentation.

Mr. Ron Lehman: Thank you very much.

PROTECT CALEDON INC.

The Chair (Mr. David Oraziotti): Our next presentation: Protect Caledon. Mike McGarrell?

Mr. Mike McGarrell: Good afternoon. My name is Mike McGarrell.

The Chair (Mr. David Oraziotti): Good afternoon. Welcome to the Standing Committee on General Government. As you're aware, you have 10 minutes for your presentation. Simply state your name for our recording purposes, and anyone who will be speaking—if both of you will be speaking or one of you will be speaking—just state your name before making your comments and you can go ahead with your presentation. Thanks.

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Mr. Mike McGarrell: My name is Mike McGarrell. I appreciate the opportunity to present to the committee this afternoon. I'm a director for a residents' group called Protect Caledon Inc.

In September 2011, a small number of residents in the Palgrave community of Caledon were notified that the town of Caledon was holding a public meeting to discuss a massive below-the-water-table expansion of a long-inactive pit in our highly populated, residentially zoned neighbourhood. This site plan amendment application had been submitted in June 2009 and we were all blindsided by the fact that the town, not the MNR, finally chose to inform the residents 27 months after the initial submission to the MNR.

These are the lessons that we have learned since September 2011:

(1) Notice is not sufficient.

MNR kept telling us that they were under no legal obligation to inform any residents about this site plan amendment, even though it was going to seriously affect our lives. In fact, this is not true. The ARA is silent on notice re site plan amendments. The MNR policy manual for site plan amendments for below-the-water-table expansions gives clear guidelines on notification. The process is proponent-driven.

The MNR chose not to have the proponent follow the policy until the public put pressure on them. They did post it on the EBR, but didn't notify anyone that they were doing so. Why would anyone in our community have had any idea that they should be regularly reading the EBR? Most of us have never even heard of the EBR. This notification is what I call democracy for the interested; in other words, "We don't need to tell you. Find it yourself."

(2) There's no such thing as grandfathering.

The ARA does not contain any language that states that old pits and quarries should be exempt from current legislation and laws, including the requirements under the Oak Ridges moraine legislation, yet MNR staff, by practice, frequently use the excuse that older pits are somehow grandfathered or exempt from current standards. This is unacceptable. There should be strong requirements for older pits and quarries to be brought up to date with current legislation, regulations and policy, due to the fact that many of these older pits have never had to undergo any rigour and are not operating to current regulations and standards.

Applying for an amendment to a site plan for an existing licence is a gaping hole the aggregate operators have seized upon to circumvent the rigours of a new licence application, including environmental scrutiny and the production of technical reports.

For example, a new licence application could take many years and millions of dollars before coming to agreement on the operating conditions of that licence. After the licence is granted, the operator can submit a site plan amendment to change any or all of the agreed conditions with the simple approval of a district aggregate officer or manager's signature.

In our specific case, a development agreement was negotiated with the town of Caledon in 1990 and the owners of two licensed pits who wanted to merge and expand. It was specifically agreed that, in exchange for rezoning, the owner would remove aggregate above the water table for a specific period of time, remediate the complete site and establish residential lots for development and relinquish the aggregate licence.

This site was mined and abandoned. New owners have come along who want to ignore all of these licensed conditions for their massive below-the-water-table expansion. This grossly disrespects the residents of this community who were told that this pit had completed all extraction operations and the only land use would be residential.

So please fully understand that site plan amendments allow aggregate operators to promise the world to get what they want and then submit a site plan amendment to remove what they did not want in the first place, and the decision is at the discretion of the MNR.

Many of the pits and quarries were licensed 40 or more years ago when the locations were not in close proximity to built-up residential areas, but as these pits lay dormant, the residential communities have now encompassed these old pits, and the opportunity to negatively affect residents is becoming more evident. The systemic problems with the existing ARA clearly exhibit a lack of concern for those that will be directly affected through water quality and quantity, proven serious and adverse respiratory and other health effects, decrease in land values within close proximity to an aggregate operation, and the increased traffic congestion on roads where our children wait to be picked up by school buses.

(3) Residents should not have to pay money to hire lawyers to make the government follow their own laws.

This close-to-market myth being promoted by the aggregate industry, and the MNR has created a terrible situation for the unfortunate residents who have the grave misfortune of buying a home next to an area where a pit or quarry decides to operate. Why do the rights of the very wealthy private aggregate operators supersede the personal rights of residents? In order to fight to protect their homes and families, homeowners are forced to spend their hard-earned money, that should be spent on our children's education and our families, on lawyers to fight David-and-Goliath battles to try to protect our homes and families.

Again, in our case, the pit expansion we're fighting is located in a natural linkage area within the Oak Ridges moraine. The Oak Ridges moraine conservation plan prohibits below-the-water-table extraction. MNR's own aggregate policy confirms this. Yet we believe that this site plan amendment will be approved and we'll be forced to go to court to ask for a judicial review to force this Ontario government and specifically MNR to follow its own legislation. This is wrong.

What we have concluded in our review: During the many hundreds of hours expended by the residents in my community, we have summarized that there needs to be an immediate need to overhaul the MNR and the way the ARA and associated regulations and procedures are enforced.

(1) This is not just about the ARA. The ARA is the framework. The provincial policy statement needs to be amended, specifically section 2.5.2.1 of the PPS, which states:

"As much of the mineral aggregate resources as is realistically possible shall be made available as close to markets as possible.

"Demonstration of need for mineral aggregate resources, including any type of supply/demand analysis, shall not be required, notwithstanding the availability, designation or licensing for extraction of mineral aggregate resources locally or elsewhere."

The decisions that you are making here today are "forever" decisions. We do not have an infinite supply of water. We've had our farmers tell us that there is only 0.5% of our land left for prime agricultural use, yet you don't require aggregate operators to demonstrate need before they start digging up the Niagara Escarpment, the Oak Ridges moraine and the greenbelt as well as our precious remaining prime agricultural land.

(2) Stop calling this an approval process. The current process has a predetermined outcome of approval. It's up to residents to fight to uncover information about the application and gather the resources to fight the approval process. It is inherently and unnecessarily adversarial.

The balance and distribution of input and decision-making should become more balanced to include the MOE, the MTO, the Ministry of Health, conservation authorities, the Environmental Commissioner's office and municipalities.

An independent review body should be created whose staff do not behave as if they are employees of the aggregate industry, with one job and one job only: Get the licence or site plan approved, no matter what the negative effects are to the residents.

There should also be an impartial third party mediator where residents can go for help when these conflicts arise so we do not end up in multi-million-dollar prolonged legal battles.

(3) Self-regulation is not working. The policies, practices and procedures of the MNR are wholly self-regulated, and the decision to abide by their own legislation is left up to the path of selective will to get the aggregate out of the ground. Aggregate operations continue to operate with noted continued violations, with little, if any, enforcement. Inspections of aggregate sites are not random and are usually announced in advance, so operators can repair deficiencies and fall back to poor operating practices thereafter.

All licences and site plan amendments should be subjected to the stipulations of a new licence application, with all of the rigours and public input required to achieve a democratic outcome.

Final recommendations:

(1) There should be an immediate moratorium on all licences and site plan amendments pending the completion of this ARA review.

(2) MNR must follow its own established policies and procedures.

(3) The burden of proof for the need and necessity for aggregate production has to be put on the proponent.

(4) The approval process has to be transparent, accurate, and has to include all levels of government at equal weighting and input.

(5) The site plan amendment process has to go through the same process and rigours of a new licence application. Lastly,

(6) MNR and local municipalities have to engage their residents and should share the power of meaningful decision-making on behalf of their residents.

There are two maps that I've included in my package. The first one, the region of Peel official plan: If you look at that particular map, it shows on the top right-hand corner where there is a high-potential mineral aggregate resource area. Just above that, I've drawn a little square. That happens to be the Palgrave Public School. I find it very disjointed that this is a high-potential aggregate area, but it could be developed literally across the street from our largest public school.

The second map that I've included defines the vulnerability of aquifers in the area. You'll see I've drawn a square that shows the location of the Tottenham pit. It is located in the highest-vulnerability aquifer area. There's another interesting point, in conclusion. There are three aquifers directly below this Tottenham pit: the Oak Ridges aquifer, the Thorncliffe aquifer and the Scarborough aquifer. Thank you.

The Chair (Mr. David Oraziotti): Thanks for your presentation. Now we'll go to questions. Mr. Arnott, go ahead.

Mr. Ted Arnott: Thank you, Mr. McGarrell, for your presentation. You've very articulately explained your concerns, and I think members of the committee have a good understanding of your perspective on the application—of course, what you're concerned about, as well as the general policy.

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You say in your very first recommendation or bullet point that notice is not sufficient. I would agree with you that there is insufficient notice given to affected landowners when it comes to these kinds of applications. In fact, I was surprised a couple of years ago to discover that there's no requirement whatsoever to even inform the member of provincial Parliament who happens to represent the constituency when an application comes forward.

In a perfect world, in an ideal world, what sort of notice do you think would be reasonable, appropriate and should be pursued by the government in terms of a requirement? Should every landowner receive a letter within a specified geographic area? What would you suggest would be the best way?

Ms. Cheryl Connors: Cheryl Connors, speaking on behalf of Protect Caledon: We would suggest that the notification mirrors the Planning Act notification for consistency's sake and for clarity of communication to residents. It doesn't make sense that it's different.

Mr. Ted Arnott: Thank you.

The Chair (Mr. David Oraziotti): Thank you. NDP caucus?

Mr. Rosario Marchese: Thank you for the presentation you made. You raised a lot of points that we've talked about in past hearings. You talked about demonstration of need that there's no requirement for those who extract aggregates to demonstrate need. I happen to agree with that, and I think we should impose that requirement on them. That's a serious concern of mine as well.

The way you list your points on page—oh, you don't have pages. One of the pages makes reference to what Robert Wells was talking about, and that was the whole idea of including in the Aggregate Resources Act the requirement to calculate total costs. I think there's general agreement here from people who are here that where it affects the air, where it affects water and where it affects farmland, there should be an imposition of cost on the aggregate folks who are applying for a permit to pay those higher levies. I'm assuming you think that's a good idea too, right? Because if we did that, some of them may not be able to afford doing business, I'm assuming.

Mr. Mike McGarrell: Well, I think the areas you've mentioned are a good start. I think some of the other areas that need specific attention are loss of value on residential properties in close proximity to the pit. To me, that's a very integral part of full-cost accounting, because there have been studies undertaken that show that there is a significant loss of our primary residential values when a

pit is in operation, and I think that's part of the full-cost equation.

Mr. Rosario Marchese: So you think we should build that in, in terms of the licensing fee—all those costs, including infrastructure costs to cities?

Mr. Mike McGarrell: Yes, I'd agree with that.

Ms. Cheryl Connors: I just want to say that in the full-cost accounting principle on the air-quality issue, Mr. Cressey—what is the cost of a human life? There are no safe buffers. I'd like to be clear on that in terms of how dust particulates spread out. How do you put a monetary value on our health? These are grave, serious health consequences that this committee needs to look at. The bottom line is, until the industry starts spending money to find safer ways to mine the aggregate material—and that technology does not exist—it doesn't belong where people live.

Mr. Rosario Marchese: I hear you. With respect to—

The Chair (Mr. David Oraziotti): Mr. Marchese, we need to move on.

Mr. Rosario Marchese: Move on? Okay.

The Chair (Mr. David Oraziotti): Yes, we're done. Liberal caucus?

Mr. Mike Colle: Yes, I'm just wondering, in terms of the ability for government to put people on notice that there's a cost to aggregate extraction, what about a proposal that says that before you approve a new highway, a new courthouse, a new arena, a new school, a new hospital, a new subdivision, you take into account that that could have an impact on your drinking water, because it could have an impact on the demand for aggregate in your community, and that that should be costed in and that the proponents of the new subdivision or the new highway should be asked to incorporate those long-term costs on places like Caledon and the general area when they propose to build new subdivisions and new highways and new hospitals and new schools?

Mr. Mike McGarrell: Well, not being fully conversant with the cost structure of a municipality, my understanding would be that if there are new buildings and new infrastructure required, then that comes from the existing tax levy or that the tax levies are increased.

What our experience is, and what we're fighting right now is, a third of the residents in close proximity to this pit rely solely on well water. We don't have town water. We can't fall under regulations that would apply to a town-provided supply. We don't have that.

Mr. Mike Colle: No, but I'm saying, why not include the cost in aggregate extraction before you approve the new subdivision, the new highway, the new school, the new courthouse?

Mr. Mike McGarrell: What I've heard thus far in the last 45 minutes is that there's an obvious shortfall in the actual cost of aggregate. So if the tide rises, all boats go up to the same level. If the aggregate cost per tonne needs to go up, then that is the cost of doing business and providing that product. I know there has been discussion, and I don't want to delve into it today because I'm not

that well versed, but my understanding is that the recycling of concrete is abysmal in this province.

Mr. Mike Colle: But my point is, before you approve a new highway, you equate that with the fact that you're going to have to extract aggregate.

Mr. Mike McGarrell: Correct.

Mr. Mike Colle: And before you approve the new highway you say, an extra cost, before approval, is you're going to have an impact on farmland, because you're going to have to get the aggregate from somewhere.

Mr. Mike McGarrell: That's right. Aggregate does have to come from somewhere, but it doesn't necessarily need to be—

Mr. Mike Colle: Because right now, there's no correlation, it seems, between saying, "I want a new highway"—yes, but it means you're going to have to get it from some farmland quarry.

Mr. Mike McGarrell: It doesn't need to be from a farmland quarry.

Mr. Mike Colle: But that's what they're doing right now.

Mr. Mike McGarrell: And that's what we're saying. That shouldn't be happening now. There's lots of supply, and it doesn't—

Mr. Mike Colle: Because there's no equation between the two. That's a cost.

Mr. Mike McGarrell: There is a cost. If you mine out of northern Ontario and bring it down on a unit train, does that cost as much as bringing it in on a cost-per-tonne basis on a highway through a populated area? I don't know that. Quite frankly, I rely on our politicians to figure those things out.

The Chair (Mr. David Orazietti): Thanks. That's time for your presentation. We appreciate you coming in today.

MS. MARGARET MERCER

The Chair (Mr. David Orazietti): Our next presentation: Margaret Mercer. Good afternoon. Welcome to the Standing Committee on General Government. You have 10 minutes for your presentation. You can start by stating your name, and then you can start your presentation.

Ms. Margaret Mercer: Margaret Mercer. Thank you for the opportunity to comment during this ARA review process. While we're not here to discuss the mega-quarry per se, it must be noted that the strong public outcry from that behemoth has risen to a roar, prompting review of Ontario's outdated aggregates legislation. I do have several recommendations at the end of this presentation.

I own a 47-acre property in Melancthon township. Approximately 60% is conservation wetland under Notawasaga conservation jurisdiction, with numerous plant, reptile and fish species, some considered threatened under Ontario's Species at Risk program, plus hundreds of bird species. I've worked hard to foster a sustainable ecosystem by planting hundreds of trees in many varieties, among other ecological initiatives, but it is

challenging and hard work encouraging biodiversity. In some cases, I have overpopulation because there is literally nowhere else for the species to go. My property should serve as a model of what Ontario strives for, because biodiversity is essential to our health, while threatened by habitat laws, drought and pollution.

I direct this to the Liberal MPPs: Recently, the Premier said he wants to make Ontario more liveable. Liveable communities don't include quarries, and certainly not mega-quarries. We can't, on one hand, say we strive for healthy, liveable communities while permitting quarries to operate and expand at the expense of significant agricultural lands and wetlands.

Behind my property is one gravel pit, and next to that another larger quarry operator that has applied for expansion. More troubling, the first phase of the 2,300-plus-acre proposed mega-quarry is situated some five kilometres north of me. How is it that an essential conservation wetland must fight to exist amongst a neighbourhood of quarries that threaten air quality and water supply? My concern today, as all concerns should be, is the social, environmental and human consequences of allowing aggregate extraction to dominate our lives as it does today.

1500

The intrusion of quarry activity has invigorated community activism as we battle to preserve basic human needs. The argument can literally be framed this way: What do you care about—human health or money? We must move away from a monetary discussion. I do not agree with Rob Wells's comments. Clearly, if quarries were such an attractive proposition, companies wouldn't hide their intent, as Highland did, and hundreds of thousands wouldn't be protesting to stop them.

In the city, industrial and residential do not mix. Imagine a quarry in the middle of Toronto's Rosedale or Forest Hill. Can't happen, right? Then why is our farmland so expendable? Honeywood loam soil is a precious resource. The land up here feeds all of us. Farmers live and work their land while, on the other hand, aggregates make land unusable for much else. You can be sure that the head of Highland will not be living on or near the mega-quarry. He actually lives in Oakville.

Aggregates are industry and should be highly regulated, the same as any industrial core. They don't belong in healthy farming communities. So you have the farmer who works his land living next door to a quarry unsuitable for habitation. It's absurd.

Frankly, I'd like some proof, some tangible numbers, as to how badly we need aggregates. To a great extent, our current lifestyle does depend on this finite resource, but that is one flawed concept that I suggest must change.

"Need" is an interesting word. What do humans need? We need clean air, we need clean water, food—not just any food: fruits, vegetables, grains, dairy products. Needing aggregates is like needing heroin or crack cocaine. It's not good for us but we have little choice today. We depend on aggregate even though extracting it disrupts our essential human needs, releasing harmful

dust particles, destroying farmland and potentially impacting water. Basically, we need that hole in the ground like we need a hole in the head.

I hope that this ARA review demonstrates that there are already far too many quarries in Ontario, with legislative changes ensuring industry best practice for greater liveability and healthy communities.

Consider these statistics. The percentage of quarries that MNR inspectors now attempt to visit in person each year to verify industry compliance reports: 20%. The percentage of surveyed quarries that the MNR found to have compliance problems when it conducted an internal review in 2006-07: 80%.

Let's not be in denial about how the industry harms our well-being. At the very least, let's look for creative industry practices that also balance our need for farmland and agricultural preservation, not to mention respect human health. This is not a political or partisan viewpoint. The legislation, as it stands, does value aggregate extraction over preservation of farmland. Is that really our vision for Ontario? Ontario: Yours to Discover. Discover what a mess the quarries have made? Under the circumstances, maybe a more appropriate slogan should be Ontario: Yours to Quarry.

Aggregate companies should not be allowed to operate without consideration of other land uses in Ontario. More importantly, again, I suggest we find ways to reduce our need for and dependence upon aggregates. The industry is ripe for innovation.

As for our precious water, we know that it's unpredictable. Consider what occurred in Kingston when there was a massive flood in a quarry which ended in litigation between Wood's Sand and Gravel Ltd., area residents and the Ministry of the Environment. During the weekend of September 23 to 24, 1989, a pressure crack appeared in the quarry floor. Within days, the water in local residential wells surrounding the quarry diminished rapidly. While pumping one million litres of water per day had been adequate to keep the quarry dry, the capacity had to be increased to six million litres, and the inflow was still increasing at a faster rate than they could pump out.

We should be concerned about drinking water, but also recognize that a similar catastrophe would reduce the flow into the various rivers and decimate local streams and wetlands. It would reduce moisture in the surrounding farmland and make the area unsuitable for any farming, let alone high-value potato farming.

As a university professor who teaches public affairs, I offer this: There is a phenomenon at play globally today called the rise of social democracy. I don't mean this in a partisan way. I mean the rise of public involvement on an unprecedented level. People can and will protest on the largest possible scale. There were approximately half a million signatures against the mega-quarry in an online petition. If governments today want to be in sync with their constituents, they can't ignore our voices.

I mention this because although you're listening to presentations, I don't believe you're under any obligation

to actually consider anything you've heard. You could decide to ignore everything that's been said during this process. I'm not suggesting you will; I'm simply suggesting you could. I encourage you to really hear these presentations so you can make a profound difference.

I ask that new legislation take a far more interventionist approach towards aggregate operators. In this respect, I suggest several recommendations:

(1) Give the public more time to respond to quarry applications. The time frames are set up to support quarry companies while residents must be knowledgeable literally overnight. Instead of giving residents the small window, give the applicants the small window.

(2) Change the paradigm to discourage rampant quarry operations and push for reinvention. Make environmental assessments standard practice, essential if your vision is liveability.

(3) Encourage the aggregates industry to develop man-made products or recycle as alternatives to aggregate extraction. Only 7% of Ontario aggregate production comes from recycled material. In the UK, however, 21% comes from recycled material. Again, make aggregate companies creatively reinvent their industry, prove need and develop methods that don't adversely impact the environment. In the US, the American Society of Civil Engineers rewards innovation. Last year, one aggregate company developed a concrete mix that contains only 2% cement, while the rest is made of recycled material.

(4) If it's a mega-quarry, then call it what it is: It's a mine. Put it underground to contain it and minimize the impact on the air quality. Or simply say no to below-water-table quarries as they're too risky, too impractical, too destructive. We don't need something 200 feet underground, because the need for that buried rock is not greater than our need for water and clean air.

(5) How about a provincially designated area away from farms and cities that is quarry land, a zone that is industrial only, zoned for quarry use and has minimum population?

(6) Identify communities that don't mind quarries, and have government involved in finding those sites. There are quarry families and people who work for quarries that could see quarries as quite feasible in their communities. Or even better, what about this: You must live in the community where you wish to run your quarry.

(7) Create citizen committees that develop potential sites and relationships with communities who, again, may be okay with quarries. The discussion could also establish best practices and improvements in quarry operations, such as use of greener technologies. Include men and women from all walks of life—farmers, teachers and the like—not just corporate giants in these citizen review committees.

(8) Limit the land size of quarry sites.

(9) More regulation: Make it difficult—onerous, in fact—to operate a quarry, in order to protect our environment. As quarries reap millions in profits, make them pay the community to cover potential liability issues.

(10) Expire aggregate licences and make them renewable every two or three years. Raise the cost of licences or take a commission from aggregate extraction and give it to the community; possibly a 10% commission.

The Chair (Mr. David Oraziotti): Sorry. Number 10, is that—

Ms. Margaret Mercer: I'm not finished.

The Chair (Mr. David Oraziotti): We're over time, so you need to try to wrap it up and then you'll have an opportunity in the questions.

Ms. Margaret Mercer: Okay. Make site plan amendments public, not an internal process that is done covertly.

Make the cost of getting in high. If you're destroying an area while making millions, there should be consequences.

Can I keep going?

Ms. Sylvia Jones: Yes. She can use our time. I'd rather hear the presentation.

Ms. Margaret Mercer: Thank you very much.

In summary, in a truly liveable Ontario, we must tighten the standards for the industry, set up barriers to entry, and reward reinvention. I'm sure the industry will respond if you challenge them by finding new, better ways to exist within these reforms through innovation and greener technologies. If not, then maybe it's time for it to die. Everything else has been forced to reinvent.

Finally, it's time to speak out against the many quarries that surround us. Aggregate extraction today is a highly profitable industry that offers commercial benefits above all else. Let's anticipate a new day for Ontarians with a harder line toward the long-standing preferential treatment granted to quarry operators, and let's keep the dialogue going.

Again, the elephant in the room, as far as I'm concerned, is the mega-quarry, so I will close with that. In rural Melancthon, you're talking about a mine that in just this initial phase is almost 10 times larger, two times deeper at its deepest, where they'll have to pump six times as much water and expect to have five times as many trucks on the roads.

Trucks on roads: There are safety issues with that. The other day, I was driving on County Road 17, west of 124. There are many trucks from local quarries located on 4th Line. It's one of the proposed haul routes for the mega-quarry. Two young girls, maybe 10 years old, were riding their bicycles in the middle of the road in the oncoming lane. This is a community with families, children running freely. Safety issues alone are not considered.

The mega-quarry: impractical, irresponsible, unliveable, insane. Why are we even contemplating this? Protect our air, water and farmland. Please introduce any and all legislative changes that stop the mega-quarry now. Thank you.

The Chair (Mr. David Oraziotti): We've given you the extra time so we're not going to have any questions. Thank you very much for coming in today.

Mr. Rosario Marchese: We don't have a presentation—

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The Chair (Mr. David Oraziotti): You did not have a presentation to hand out, Ms. Mercer?

Mr. Rosario Marchese: Margaret, you don't have a copy, do you?

Ms. Margaret Mercer: I could email you one.

The Chair (Mr. David Oraziotti): That would be great.

Mr. Rosario Marchese: Thanks.

MR. BRENT PRESTON

The Chair (Mr. David Oraziotti): Our next presentation is Brent Preston. Good afternoon, Mr. Preston. Welcome to the Standing Committee on General Government.

Mr. Brent Preston: Thank you very much, committee members and staff. Thank you for having me here today. I'm going to try to keep my remarks relatively brief so we have lots of time for questions. I'd love to talk about any of the issues that come up during my talk. I'm going to confine my remarks to a sort of smaller subset of issues, because I know many of the other presenters are going to cover a lot of the other bases. But I'm happy to talk about any of the issues around this issue.

My name is Brent Preston. I'm an elected member of council in Clearview township, which is just north of here and includes the communities of Stayner and Creemore, and I am a member of the board of directors of the Nottawasaga Valley Conservation Authority, though I'm speaking to you today as a private citizen and not as a representative of Clearview township or the NVCA.

I want to present to you today what I think is a strong economic argument for changes to the Aggregate Resources Act. I'm very happy that you've chosen to come to our community to hold hearings so we can show you how the current model of aggregate extraction threatens very important sectors of our local and provincial economy. I will argue that there are solid dollars-and-cents reasons to ensure that our provincial aggregate policies do two simple things: protect prime farmland and protect our natural landscape and environmental features.

I'm proud to say that my wife and I are full-time, professional farmers. We derive all of our income from our 100-acre farm near the village of Dunedin, except for my council salary. My wife was raised on a sheep farm, but I grew up in suburban Toronto and had no farming experience before we bought our place 10 years ago. At that time we saw a business opportunity and we began growing specialty vegetables for the restaurant and retail markets. We are now in our sixth growing season and the business has grown exponentially each year. More than half of our sales are within a 50-kilometre radius of our farm, including Collingwood, southern Georgian Bay and here in Orangeville. The rest goes to the GTA.

The local food movement has resulted in an explosive increase in demand for our produce, and farms like ours are popping up all over southern Ontario. Our farm is

typical of many other small-scale specialty producers, in that we target gross sales of approximately \$30,000 per acre. We have eight acres in production this season and we are on track to exceed our sales target of a quarter of a million dollars. We now employ five full-time seasonal employees, and our business has helped open new opportunities for our local distribution, retail and restaurant partners. The local food movement is for real and it is having a significant impact on our provincial economy.

But it is not just the local market that is booming. Cash crop farmers in this community are enjoying record commodity prices, and at the provincial level food processing is now Ontario's third-largest manufacturing sector and employs more people in this province than the auto industry. The local food movement and growing global population have combined to make this a time of unprecedented opportunity in the food and agriculture sector in Ontario.

At the root of this opportunity is one simple fact: We are blessed in this province with some of the best agricultural land in the world. I spend a great deal of time literally on my hands and knees in the soil on my farm and I am continually amazed at how productive it is. My farm is less than 10 kilometres from the site of the proposed mega-quarry and my soil is very similar to the Honeywood silt loam in that area, but not quite as good. I'm not going to go into a lot of detail about the mega-quarry in particular, but I think you know how many in this area feel about it. I think it's important to recognize how incredibly valuable that farmland resource is.

All over the world, governments and corporations are recognizing the value of prime agricultural land and the looming shortage of this precious natural resource. It seems foolish in the extreme to allow aggregate extraction to permanently destroy such a valuable renewable resource. The economic benefits of our rich farmland can be realized literally forever if we extract them sustainably. Quarrying destroys farmland forever.

Agriculture is at the heart of our rural economy and society, but it is not the most important economic activity in many parts of Ontario. Clearview township, like Caledon, the Blue Mountains, Collingwood and most of the countryside within a two-hour drive of the GTA, now relies heavily on tourism, recreation and weekend residents to drive the local economy. In my tiny community of Dunedin, there are more than a dozen families that have moved to the area in the last decade. They have come because they want to live in the spectacular landscape of the Niagara Escarpment and because this landscape directly and indirectly provides economic opportunities. My friends and peers are builders, artists, farmers, health care professionals, chefs, retailers, teachers and entrepreneurs.

They have built businesses and they make their living servicing the tourists, weekenders and retirees who visit or live in our community because of our natural landscape. All over this region, there are thousands of businesses, both large and small, that are part of this tourism and recreation economy. Resorts, B&Bs, ski hills, build-

ing supply stores, retailers, restaurants, even retirement homes, physiotherapists and drug stores—none of this would exist without the escarpment and our natural landscape.

I decided to enter municipal politics because I was upset with the way in which our township was handling an application to expand a quarry owned by Walker Aggregates on the crest of the Niagara Escarpment near the village of Duntroon. Last week, a consolidated board of review finally handed down its ruling, which approved the expansion in a split decision. I think that decision will harm the long-term economic health of our community because the escarpment is such a valuable resource for our tourism and recreation economy.

The approval process was also completely ridiculous. It took years to complete and it cost local residents, the applicant and local government bodies hundreds of thousands of dollars. This represents a massive waste of public and private money. It seems like common sense to ensure that quarrying does not take place in sensitive environmental areas like the Niagara Escarpment when these areas have such a huge economic benefit to our province. The official Niagara Escarpment lands make up only 0.2% of the land area of our province. Can't we find other places to get the aggregate we need? A simple, blanket prohibition of quarrying on the escarpment would provide certainty to industry and residents alike and might prevent the kind of costly, prolonged and unproductive dispute we have seen over the Duntroon quarry and so many others in recent years.

I think it is simple common sense to make sure that aggregate extraction takes place in a way that protects prime farmland and the environmental assets that are key to our recreation and tourism industries. The food and agriculture sector contributes \$33 billion a year to our provincial GDP and employs 700,000 people. Tourism contributes \$21 billion and employs 350,000. Aggregate extraction contributes just \$1.6 billion and employs 35,000. Why would we allow the aggregate industry to run roughshod over an agricultural sector that is more than 20 times more important to our economy?

Aggregate sells for an average of \$8 a tonne in Ontario. The salad mix I produce on my farm sells wholesale for \$18,000 a tonne. My salad is worth 2,250 times more than gravel by weight—which was a stat that shocked my wife and me when we figured it out today. I only produce about eight or 10 tonnes of salad a year on my farm, but I can produce salad in perpetuity. You can only mine a tonne of gravel once, and then the land is good for virtually nothing else. Agriculture, tourism and recreation, done right, are endlessly renewable and sustainable industries. Aren't those the ones we should be doing the most to protect?

I'm not arguing that we don't need aggregates or that the aggregate industry is not important, but we simply can't keep relying on virgin aggregate obtained in a way that damages more important industries. It's not rocket science. We must amend the ARA to say, very simply, "We will not mine aggregate in places where doing so

will destroy farmland or destroy significant environmental features such as the Niagara Escarpment.” Full stop. Thank you very much.

Applause.

The Chair (Mr. David Oraziotti): I guess I shouldn't be clapping. Thank you very much for your presentation. First up for questions—

Mr. Rosario Marchese: NDP.

Mr. Kevin Daniel Flynn: You always say that.

Mr. Rosario Marchese: No, it is.

The Chair (Mr. David Oraziotti): No, it isn't. Liberals—sorry, we skipped the last round. You're right, Mr. Marchese; go ahead.

Mr. Rosario Marchese: It's okay. It's \$8 a tonne for aggregates; how much is it for your salad?

Mr. Brent Preston: It's \$18,000 a tonne.

Mr. Rosario Marchese: I'm never going to eat it again.

Mr. Brent Preston: It takes a long time to eat a tonne of salad.

Mr. Rosario Marchese: Thank you, Brent. A number of people are saying pretty much the same thing. One of the presenters—Mike McGarrell—was talking about how the provincial policy statement makes this comment—or at least, as part of its policies, says the following: “As much of the mineral aggregate resources as is realistically possible shall be made available as close to markets as possible.” That, essentially, is a big part of the problem. Much of the aggregate that's extracted is here, in the GTA, because it's close to the markets where it's obviously going, including Toronto, in my riding, where the condos are. But that is a big part of the problem, and I think you're agreeing that that policy statement should change.

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Mr. Brent Preston: To me, it's a question of priorities. Obviously, the policy, as it stands right now, prioritizes the aggregate industry and the construction industry that it feeds. I actually used to live in your riding. I'm familiar with the condo towers and I know and agree that there will always be a need for aggregate. The question is, is the requirement for aggregate so important that we allow it to damage other industries that I would argue are more important? And also, in a modern, sophisticated, industrial democracy like Ontario, should we have some of the lowest-cost aggregate in the world? To me, it doesn't make any sense.

Mr. Rosario Marchese: The argument the aggregate companies make is that if they have to go and extract the aggregates in the north, let's say—100, 200, 300 kilometres from here—it'll be cost-prohibitive. That's what they're saying.

Mr. Brent Preston: Well, cost-prohibitive to whom? Right now, I think, destroying productive farmland for a non-renewable activity is, in the long run, going to make food cost-prohibitive. Personally, I'd rather have unaffordable gravel than unaffordable food.

The aggregate companies have the advantage of there being not as many of them and their being larger and well

financed. Farms like mine don't have the resources to influence legislation in the same way that aggregate companies might. But there are a lot more businesses like mine, and they're contributing a lot more to the provincial economy than the aggregate companies. So it's great to have this opportunity for the little guy to get heard, I guess.

Mr. Rosario Marchese: Thank you.

The Chair (Mr. David Oraziotti): Liberal caucus. No? Okay. Thank you.

Ms. Jones, go ahead.

Ms. Sylvia Jones: I'm just going to thank you for the presentation, Brent, and with my tongue firmly in cheek, say, I'm guessing that you have a credibility gap with the fact that there's going to be potato farming at the bottom of this proposed quarry?

Mr. Brent Preston: I have yet to meet anyone who thinks that that plan is realistic. All through Highland's application there's evidence that there's a fundamental lack of understanding of basic concepts of soil science and agriculture. You can't move soil from one place to another and have it remain the same and remain productive. It's a living, evolving, breathing substance that can't just be moved around and used like a hydroponic substance or something like that. It's actually insulting that they would expect the residents of this area to believe that they're going to farm at the bottom of a quarry.

Ms. Sylvia Jones: The reality is, in fact, the soil is the way it is because of the subsequent layers below it.

Mr. Brent Preston: The soil can't be separated from the substrate or from the atmosphere or from the water or anything else. This is something that we understand.

We farm organically on our farm. On a typical organic farm, if you take a bucket full of topsoil, it will have more living organisms than the total human population of the earth. We're talking about billions and billions of organisms, and they rely on nutrients from below and from the atmosphere. You can't just pick that up and move it 200 feet under the water table and expect that it's still going to be productive. It's a scientific non-starter.

The Chair (Mr. David Oraziotti): Thanks, Mr. Preston, for your presentation. That's time for today.

Mr. Brent Preston: Thank you very much.

DUFFERIN PARENT SUPPORT NETWORK

The Chair (Mr. David Oraziotti): Our next presentation: the Dufferin Parent Support Network. Good afternoon, Ms. Conning. Welcome to the Standing Committee on General Government. As you know, you have 10 minutes, so simply state your name and you can start.

Ms. Paula Conning: Thanks. I'm Paula Conning. Welcome to Dufferin county. Thank you for giving me the opportunity to present today as a representative of Dufferin Parent Support Network, known as DPSN.

DPSN is a collaborative network of parents and community agencies that provides support, education and resources for parents. By supporting parents, DPSN

promotes the well-being of children and youth and helps them grow up to be productive adults and well-rounded community members. We are a small organization, but we think big. We have a holistic view of the determinants of health and well-being, which is what brings me here today.

I worked as a public health nurse in Dufferin county for 23 years. My first assignment included the townships of Mulmur and Melancthon, where Highland's mega-quarry is proposed on beautiful, productive farmland. Other DPSN board members represent other health, social and educational organizations. Throughout my career and life experience, I have come to understand that the protection and promotion of the well-being of life on earth must be the paramount consideration in government regulations.

Our partner organizations and we at DPSN do our part to promote child development. We depend on our elected representatives to do their parts with a similar vision. If you remember Maslow's hierarchy of needs for human development, you'll understand that meeting higher-level needs, like positive parenting, is dependent on first meeting basic needs, like air, water and food. Our ability to help parents best meet their children's needs is impaired when parents do not have secure access to the basic needs for life.

To improve our population's secure access to pure air, clean water and healthy food, our legislation, including the ARA, must be modernized from the 20th-century model of consumption to the 21st-century model of conservation. Earth is warming. Our global population has doubled in my lifetime to seven billion. It's projected to increase to 10 billion sometime around 2050. Deserts cover almost one quarter of Earth's landmass. The rate of desertification of dry lands is increasing. Desertification is not a natural development. It's driven by human action. It's driven by undervaluing productive farmland and fresh water.

Just as DPSN is a network of supports and linked to a broader network of organizations to promote well-being, the ARA must be considered as one component of the network of supports for our environment, all sharing the guiding principle of protecting and promoting the well-being of life.

In southern Ontario, farmland is increasingly valuable in this reality of a warming climate, desertification and planetary overpopulation. Aggregate extraction should be prohibited on all fertile farmland. Aggregate applications that could conceivably affect water supply or quality should be subject to a complete environmental assessment, and consistently denied in the absence of absolute proof of their benign environmental effects.

Our land has provided for us for thousands of years. With proper management, it will provide for thousands more. But we can no longer treat Ontario as an unlimited paradise. As you know, class 1 agricultural land accounts for only 0.5% of Canada's land mass, and half of that is in Ontario. Yet our province enables—even encourages—developers to dig up that precious land for aggre-

gates in order to pave over and build on more of our fertile land.

The Environmental Commissioner of Ontario's comprehensive 2011 report *Land Use Planning in Ontario* included numerous concerns and recommendations about Ontario's growth plans and its 2005 provincial policy statement. Highlights from this report regarding today's focus include the following:

"From an ecological or sustainability perspective, this planning approach will fail in the long term. Few of the critical elements of the natural environment—significant woodlands, wetlands, valley lands, species and sensitive water features—are adequately protected. In fact ... none of them are protected" from the most invasive development activities, "such as aggregate extraction or highway construction. Natural features are often treated simply as end-stage checks on development. Many natural features do not even have to be identified or comprehensively planned for by municipalities."

Secondly, the report states, "The 2005 provincial policy statement, along with other Ontario laws that shape how it is implemented, unequivocally establishes priorities. Environmental planning and the protection of natural areas, wild species and water quality are not given the same importance as drivers for economic development."

The 2005 provincial policy statement is being reviewed. We can hope that a strongly worded *Aggregates Resources Act* that truly protects our environment will help them create a big-picture vision for long-term sustainability.

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I'm a practical person, and I know that beyond prohibitions, the way to protect our finite resources is to create economic influences that favour conservation over consumption. Ontario can impose fees and taxes that effectively price aggregates very highly. This will reduce the demand for new aggregates, increase the recycling of aggregates, and provide paybacks to stakeholders affected by aggregate extraction.

The province's current fee of 11.5 cents per tonne of aggregate extracted does not address the social and environmental costs for municipalities hosting aggregate operations, and it does not make the use of recycled material an attractive alternative. It is exactly the opposite of what we need.

We need you to vision the ARA as legislation to discourage urban sprawl. This is a fundamental shift. Here in Orangeville, we are currently building at least three new subdivisions while we are losing manufacturing jobs and our youth are leaving town and not returning due to a lack of post-secondary education and poor employment opportunities. Dufferin county already has a higher-than-provincial-average proportion of commuters, and that will grow.

Last week, I was in Vancouver and I marvelled at the ability of Stanley Park to fulfill urbanites' need for green space while living in high-density housing. Earlier this year, I was in New York City, similarly impressed with

the visionaries who planned for Central Park green space in the middle of the metropolis. Stanley Park opened in 1888, and Central Park in 1857, but in Ontario, we lack that kind of vision. Instead of improving urban living, we build on farmland and transform rural towns into bedroom communities.

The ARA is one small piece of legislation in the network of provincial regulations affecting land use, just as DPSN is one player in the network of child development supports.

You can be visionaries for a better, more sustainable Ontario. We can enrich urban communities and prevent degradation of fertile land and disruption of water systems.

I'll conclude with a quote from Ronald Wright's *A Short History of Progress*, a non-fiction book and 2004 Massey lecture series. Wright uses fallen civilizations to see what conditions led to the downfall of society. He examines the meaning of progress and its implications for civilization, past and present, arguing that the 20th century was a time of runaway growth in human population, consumption and technology that has now placed an unsustainable burden on all natural systems.

Wright concludes, "Things are moving so fast that inaction itself is one of the biggest mistakes. The 10,000-year experiment of the settled life will stand or fall by what we do, and don't do, now. The reform that is needed is not anti-capitalist, anti-American, or even deep environmentalist; it is simply the transition from short-term to long-term thinking. From recklessness and excess to moderation and the precautionary principle.

"The great advantage we have, our best chance for avoiding the fate of past societies, is that we know about those past societies....

"We have the tools and the means to share resources, clean up pollution, dispense basic health care and birth control, set economic limits in line with natural ones. If we don't do these things now, while we prosper, we will never be able to do them when times get hard. Our fate will twist out of our hands."

Thank you.

The Chair (Mr. David Oraziotti): Thanks for your presentation. Liberal caucus, questions? Conservative caucus, questions? Mr. Arnott, go ahead.

Mr. Ted Arnott: Thank you for your presentation. I have one question, and it relates to your recommendation that aggregate extraction should be prohibited on all fertile farmland. Then, in the next paragraph, you talk about class 1 farmland. How do you define "fertile farmland"? Is it class 1 farmland? Is it that simple?

Ms. Paula Conning: I'll rely on the Legislatures to define it, but I would say any farmland that can produce natural crops that will improve the well-being of our society. I know some people say class 1, 2, 3, 4; some people say class 1, 2, 3. It's whatever can produce healthy crops and forests that will improve the well-being of society.

Mr. Ted Arnott: Thank you.

The Chair (Mr. David Oraziotti): NDP caucus?

Mr. Rosario Marchese: Thanks very much, Paula. It was a good presentation.

Ms. Paula Conning: Thank you.

Mr. Rosario Marchese: Under the ARA, aggregate operators became responsible for assessing their own compliance with site plans. Do you have a view on that?

Ms. Paula Conning: Yes. Definitely I think that we need government oversight and you can't make them responsible for looking after their own things. I heard from a previous presentation that the inspectors look at 20% and that 80% of their inspections are failing. So that shows that's not adequate oversight.

Mr. Rosario Marchese: You and others have mentioned that the fee that the operators pay is 11.5 cents per tonne. Do you have a sense of what we should be charging, or do you leave that to us?

Ms. Paula Conning: I can't remember the exact amount, but I think in the UK it's something around \$2.50 per tonne, so significantly higher. In fact, my whole argument, as you heard, is, look at the big picture. The land is more valuable than the aggregates underneath it. So you want the cost to be a deterrent to operations.

Mr. Rosario Marchese: And I'm going to be asking Mike Schreiner soon the same question about recycling, because I think we need to do a lot more recycling. Everybody makes the point that in the UK they recycle close to 22% of their aggregates, and we're at 6.5%, I think, or 6.7%. I think it's disgraceful and we need to do more. I'm assuming that's what you want us to look at when we do this review in the end, right?

Ms. Paula Conning: Yes, absolutely. We need to use recycling, and I would encourage you in the ARA panel to consider yourself as one member of a group of members that are looking at how we use land in Ontario. Looking at the ARA in a vacuum is like looking at public health in a vacuum. I'm the communications coordinator for our local planning table for children's services. We're 20 organizations strong. We all come together with the vision to promote the well-being and help every child reach their optimal potential, and I expect this group to also work with a vision that you are part of a broader group to promote well-being.

Mr. Rosario Marchese: Thanks very much.

The Chair (Mr. David Oraziotti): Thanks very much. That's time for your presentation. I appreciate you coming in today.

GREEN PARTY OF ONTARIO

The Chair (Mr. David Oraziotti): Our next presentation is the Green Party of Ontario. Mr. Schreiner, good afternoon. Welcome to the Standing Committee on General Government.

Mr. Mike Schreiner: Thank you. Good afternoon.

The Chair (Mr. David Oraziotti): As you know, you have 10 minutes for your presentation, so simply state your name and you can start.

Mr. Mike Schreiner: My name is Mike Schreiner. I'm the leader of the Green Party of Ontario and I'm also

a resident of Dunedin, just down the road from Brent Preston, a place located in the heart of the Niagara escarpment. I'm 15 kilometres south of the Duntroon quarry and the proposed MAQ quarry, and 15 kilometres north of the proposed Melancthon mega-quarry.

Like many of my neighbours, many of whom I see in the room, I'm concerned about the effects of pits and quarries, especially the mega-quarry, on our local economy, our natural and cultural heritage, our prime farmland and especially the safety and availability of our drinking water.

As leader of the Green Party, I'm often asked by people in communities across the province to speak out and assist them in their battles against quarries. In the course of my work I've been on a number of panels and had many opportunities to meet with members of the aggregate industry.

The ARA review is a personal and political concern of mine, and I sincerely appreciate the work that this committee is doing to review the ARA. I commend you for pushing and advocating to do hearings across the province and I appreciate the opportunity of allowing somebody without a seat in the Legislature to present to this panel.

There is no doubt that aggregates are essential to our community, economy and quality of life. We need them to construct our homes, build roads, build infrastructure. Ontario clearly needs a profitable and sustainable aggregate industry, but it's also clear that pits and quarries are increasingly competing with other land uses. It is common now for aggregate applications to be met with strong local opposition, and this kind of conflict is bad for communities, government and industry. It's incredibly time-consuming and expensive. It's essential that we find innovative, long-term solutions to this conflict. We need solutions that protect our communities, our environment, our food sources and our social and cultural heritage, while still supplying aggregates. I'll admit to you this is not going to be an easy task. I don't envy your job.

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I'm going to challenge this committee to do something that our political system makes incredibly difficult. We need to work across party lines to find long-term solutions that go beyond the next quarterly report or the next four-year election cycle. We need broad thinking that connects the dots across ministries and between various pieces of legislation, even if that extends beyond the narrow terms of reference for this committee.

With this in mind, my specific recommendations are grouped within three broad directions. The first one is that I believe it's essential to change the focus we currently have on prioritizing consumption and supply of aggregates to encouraging efficiency, conservation and recycling. Aggregates are a valuable finite resource. It's essential that we use them more efficiently. We're already depleting aggregates at an unsustainable ratio—2.5 to 1—when it comes to depletion versus replacement. This is not sustainable and it's essential that we reduce our per capita consumption.

Here are some suggestions on how to do this: We need better-designed communities, roads and other infrastructure that simply use less aggregates. Given our financial and economic challenges, I don't think Ontario can afford to continue to fund inefficient, expensive and sprawling growth plans. We need better policies and standards that lower the quantity of aggregates used in roads and buildings.

We need to support research, commercialization and alternative materials. As an example, I was recently at the Paris high school where the eco club there is rehabilitating their courtyard using material from recycled tires instead of aggregate stone. Those are the kinds of solutions government needs to lead with.

We also need to do a better job of recycling aggregates. The provincial policy statement and the provincial standards must be revised to require aggregate recycling and to mandate minimum standards for increased use of recycled materials in public and private development. Recycling requirements should be included in the licence to operate.

As you've heard, municipalities must remove the specifications that do not allow recycled materials in construction projects. I think the province has a role to play in this. Ontario's aggregate recycling rate of 7%—slightly less—is unacceptably low, especially when we compare it to the United Kingdom's almost 24% recycling rate. The UK has provided a policy framework and financial incentives to make recycling happen. Like the UK, Ontario should introduce a landfill tax to encourage the reuse and recycling of construction materials.

We also need to increase the aggregate levy. As many of you have heard—it has been suggested by many—our rate of 11.5 cents per tonne is too low. By comparison, the UK's rate is over £2 per tonne, which, by today's exchange rate, comes out to \$3.20 per tonne Canadian. I know you're going to ask me what rate I should come up with. My argument would be that the rate needs to be set in a way that not only provides the capacity and financial resources to properly monitor and enforce oversight, but it also needs to be set at a rate that encourages recycling and reuse. I would argue that rate needs to be somewhere between a minimum of 50 cents per tonne, which is what Quebec charges, and \$3.20 a tonne, which is what the UK charges.

That then brings me to my second point: Ontario must increase our regulatory and monitoring capacity and improve the process for approvals. In today's fiscal climate, an increase in the levy is essential to this to provide the Ministry of Natural Resources with the proper staffing complement. I agree with the industry's request that the levy not go into general revenue.

However, the levy should cover a broad range of costs associated with managing and planning for aggregates. Municipalities need revenue not only for the extra infrastructure costs but also for costs associated with planning and being a part of hearings. MNR needs more capacity to regulate and monitor the industry.

Finally, we must ensure that adequate resources are in place to properly fund rehabilitation. I agree with the industry's call for a more efficient approval process that provides clarity, certainty and solutions for all parties. I think the first step is a proactive planning process that engages all stakeholders. I think we can just look down the road to Caledon as a possible example. In the late 1990s, Caledon brought together a planning group, multiple stakeholders that included municipal politicians, citizens and industry representatives. They mapped the area and they said, "Here's where aggregates can be developed now, here's where they might be developed in the future, and here's where they will not be developed in our community." This is the type of process that makes it more efficient for proponents while also ensuring that we protect community and environmental interests and that we enable long-term community planning that engages citizens in the process.

We need more citizen and community participation early in the process, and I have a few suggestions about how to do this:

- require early public notification when you submit an application for a licence to MNR;

- increase the public notification period from 45 to a minimum of 120 days;

- extend the notification area beyond 120 metres; I can guarantee you I'm affected by the mega-quarry 15 kilometres away;

- require municipal approval of significant amendments to the licence and plans after zoning approval; and

- adopt best practices for community and citizen engagement from other jurisdictions and other industries.

Which brings me to my third and final broad point, that we need to revise our policy priorities to update them for the 21st century and provide better long-range planning and coordination with other legislation.

Some of these policy changes include:

We need to apply a sunset clause to licences. I guarantee you when you go to Kitchener-Waterloo you're going to hear an earful about a quarry licence that was approved 38 years ago in Paris, Ontario, under very different conditions and circumstances, that is now being activated on.

If we are going to consider pits and quarries to be interim use of the land, then we must apply time limits to extraction. Before we ask to sacrifice rare elements of our natural or cultural heritage or approve developments that compromise water quality or farmland, I believe it's reasonable to consider the need for new aggregate, but the legislation prohibits us from doing this.

The Chair (Mr. David Orazietti): Mr. Schreiner, we're a little past the time, so if you can wrap up and we'll just take a few minutes for questions.

Mr. Mike Schreiner: No problem. And when considering new licences, it makes sense to consider the cumulative impact of those licences.

I want to conclude by saying that the conflict over aggregates is a conflict over the essential necessities of life: water, land, food and shelter. I think it's time for us

to revise our legislation to rebalance it in a way that prioritizes farmland and water over aggregate extraction.

I appreciate your time.

The Chair (Mr. David Orazietti): Ms. Jones, go ahead.

Ms. Sylvia Jones: Thank you, Mr. Schreiner. You're always welcome at our table.

Mr. Mike Schreiner: Thank you.

Ms. Sylvia Jones: In terms of the suggestion that the levy should be increased, but also as importantly, not put into government revenue, general revenue, do you have a recommendation for our committee as to how that breakdown would occur? As I understand it, 0.5 cents goes to rehabilitation. It's all broken down: municipality, government, provincial. Do you have some suggestions on how you'd like to see that happen?

Mr. Mike Schreiner: My first suggestion is going to be that we're going to have to do some significant research on it. I know the city of Kawartha Lakes, for instance, their estimate is that the cost of municipal infrastructure, to recover that would be 93 cents a tonne. Is that applicable to Melancthon township? Is it applicable to Sudbury? Is it applicable to other jurisdictions where aggregates are being mined? That type of research needs to be conducted.

My main point is that we need to be able to recover enough to fund MNR adequately, to compensate municipalities enough to cover infrastructure and to cover rehabilitation, but to also provide enough capacity for long-range planning as well.

Ms. Sylvia Jones: So in your scenario, some of the levy would be used for MNR inspectors.

Mr. Mike Schreiner: Absolutely.

Ms. Sylvia Jones: Okay, that gives me—thank you.

The Chair (Mr. David Orazietti): NDP caucus.

Mr. Rosario Marchese: Thank you, Mike, for taking the time to come.

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Mr. Mike Schreiner: My pleasure.

Mr. Rosario Marchese: You're a leader of a party that obviously doesn't have a salary and we do, but you come voluntarily and you have to take time from work, so I wanted to thank you for that.

There are just two points I want to make, because you covered a lot of ground. One of them is that we have to do better planning, and there is now a great deal of conflict with extraction of aggregates. Unless we involve, as you said, communities more efficiently and from the beginning, and unless we involve municipalities with communities more efficiently in how we decide where to extract, it's going to be a problem. I think we've got to do that better, and you're absolutely right.

The other point is that—I don't know why I say this, but I am optimistic—in this minority government, there are some headaches, no doubt, on all of us, but there are a number of positive things that are coming out of it, and I think that in this review of aggregates, I really do believe that we're going to come close to getting all three parties to agree on many things.

I'm optimistic, but I'm not sure. I hope it works out the way you're suggesting. Thank you.

Mr. Mike Schreiner: Me too. My commitment is, I will provide you with detailed written submissions before your deadline on July 17, because I have many more that I could offer this committee.

Mr. Rosario Marchese: I'm sure.

Mr. Mike Schreiner: I look forward to working with all of you moving forward.

Mr. Rosario Marchese: Thank you, Mike.

The Chair (Mr. David Oraziotti): Thanks, we appreciate that.

Liberal caucus, any questions or comments? Mr. Flynn, go ahead.

Mr. Kevin Daniel Flynn: Yes, just one brief one, Mike. Thank you for coming. I echo Rosario's remarks: Thanks for taking the time to come.

There's a common thread emerging from a lot of the delegations today and there's also a lot of the complexities emerging. I mean, it's not a simple solution to this.

One issue that's being raised over and over again is our seeming inability to recycle in any sort of meaningful way. I think the number being tossed around for us is either 6% or 7%, and the UK is at 21%. It strikes me that the UK is doing a lot better than us, but 21% isn't anything to brag about either, which also strikes me that there must be some huge economic development opportunities that must be available in the recycling of aggregates.

With your knowledge, I'm wondering if there are any best practices around the world, if there's anywhere that's got the recycling of aggregates down to a science or is doing things other people don't seem to be able to do yet.

Mr. Mike Schreiner: The UK by far is the world leader; Germany would be second. I think one of the things that makes the UK a leader is that they have the economic incentives in place for recycling, and those are that the levy's high enough and they have a landfill tax. I'm a business person. That creates opportunities for business people to innovate and create new businesses that are viable and profitable around recycling, if you can make the economics work.

Mr. Kevin Daniel Flynn: Is it a simple business? Do you just haul it away and beat it down into small pieces?

Mr. Mike Schreiner: A lot of the UK's recycling actually is happening on-site, which actually then starts getting to the issue that's been raised here: What do you do with fill and the fact that a lot of fill, particularly in the Durham region, is going into old pits and quarries? The more you can do on-site, the better it is for the environment and for the economy, I would argue.

Mr. Kevin Daniel Flynn: Very good. Thank you.

The Chair (Mr. David Oraziotti): Thank you very much. That's time for your presentation.

Mr. Mike Schreiner: Thank you.

CHIEFS AND COUNCILS, SAUGEEN OJIBWAY FIRST NATION

The Chair (Mr. David Oraziotti): The next presentation: Chiefs and Councils, Saugeen Ojibway First Nation. Good afternoon. Welcome to the Standing Committee on General Government. You have, as you know, 10 minutes for your presentation, so simply state your name and you can start your presentation.

Ms. Veronica Smith: *Remarks in Ojibway.*

My name is Veronica Smith. I'm from the Saugeen Ojibway Nation on the Bruce Peninsula. I have introduced my Anishinabek name, as well as my clan, being the otter. I'm here speaking on behalf of the Saugeen Ojibway, which consist of the Chippewas of Nawash and the Chippewas of Saugeen. I am a representative of the band council.

I'm also here on behalf of the Anishinabek women, who are the keepers of the water. I'd like to express that it's our role as Anishinabek women to take care of the water that sustains our lives not just for the women, but for all living beings.

I also have with me legal representation, Maggie Wenthe.

The Saugeen Ojibway Nation has previously and repeatedly expressed its frustration to the Ministry of Natural Resources about the serious aboriginal consultation deficiencies in the aggregates approval process. In particular, we have been vocal about how the lack of any consultation process on the establishment of quarries and pits is affecting our traditional territory, our constitutional rights, and our Treaty 72 and aboriginal title claims.

The problem is that there is no consultation required under the Aggregate Resources Act. Despite the fact that Ontario is constitutionally required to consult with us and other First Nations about aggregate projects that can negatively impact our rights, the Ontario government pushes forward without any consultation, even though those projects certainly do affect our rights and our lands.

I'm going to speak about the impacts on Saugeen Ojibway rights.

Our aboriginal and treaty rights have already been impacted by development on our lands. Aggregates extraction further threatens our rights and our lands. In particular, aggregate operations disrupt natural and cultural heritage, and our harvesting rights, including our right to fish commercially. Aggregate extraction also interferes with SON's responsibilities to protect lands and waters in our territory.

SON has a court-recognized commercial fishing right in the waters of Georgian Bay. This aboriginal fishing right is protected by section 35 of the Constitution. SON also has land claims currently before the Ontario courts, which include a claim to the beds of waters in Georgian Bay and Lake Huron.

Based on information we have been able to collect, there are at least 90 current and proposed aggregate extraction operations in our territory, to our knowledge.

It is apparent from this information that Ontario has decided to give developers a green light to exploit resources in our territory, to the detriment of our rights.

This includes Ontario's decision to create a greenbelt, which has exposed our territory to unprecedented development. There is an available aggregates supply concentrated in southern and eastern Ontario; however, those are subject to constraints. The Greenbelt Act, the Niagara Escarpment Planning and Development Act, and the Oak Ridges Moraine Conservation Act have all contributed to confining the area in which aggregates can be developed. SON was never consulted about any of this legislation and about the impacts these laws would have on our aboriginal and treaty rights. Such unilateral decisions have a direct and negative impact on our rights, interests and way of life as Anishinabek people.

We have tried to approach both Ontario and proponents to find a way to protect our rights. Despite these efforts, there has been no protocol for engagement established between MNR and SON—SON being Saugeen Ojibway territory—nor has there been any commitment from MNR to substantively discuss and consult about impacts on our rights, our claims and our lands. We try to deal directly with proponents, but it is often beyond their scope to consult and accommodate, especially about cumulative effects.

Even when it is within their scope, the absolute lack of any requirement for aboriginal consultation and accommodation under the Aggregate Resources Act or direction from the Ministry of Natural Resources to do so means in practice that no one follows through on consulting with us before quarrying on our lands.

It is clear that Ontario's absence from the table is the problem. There is no real commitment from Ontario to meet its consultation and accommodation obligations through law, through policy and through actions. This is not consistent with the honour of the crown.

1600

While SON urges the committee to consider how to build aboriginal consultation and accommodation into the Aggregate Resources Act, SON also advises to proceed with caution when doing so. We recommend the following: individualized approaches to consultation when required. The impacts of aggregate extraction will differ from geographical region to geographical region.

SON encourages a flexible approach to consultation and accommodation, rather than a one-size-fits-all approach that only requires ticking boxes about consultation on a permit application. However, the ARA licensing process must contain some reference to aboriginal consultation and accommodation. We have seen time and again that the current process is not working. If the Ontario government is not able to point to a process that ensures aboriginal consultation in the aggregate licensing process, the legislation itself is constitutionally invalid in the same way in which Ontario's courts found the Mining Act to be unconstitutional until it was amended to address aboriginal consultation requirements.

Consultation and accommodation at the earliest phases: Consultation and accommodation should occur at the earliest phases of a project and not at the end, after decisions have been made. MNR must engage with affected First Nations before they make decisions about areas where extraction will be encouraged and permitted. First Nations should also be notified as soon as a licence is applied for, and information should be promptly sent to them. Right now, the MNR only sends the First Nations notification that a licence is applied for. This does not satisfy the duty to consult.

If there is a delegation to proponents, there must be crown oversight: The Supreme Court tells us that the procedural aspects of the duty to consult can be delegated to industry proponents. We also know that the delegation must be clear. The current ARA regime is anything but clear. SON has no way of knowing when, how and to whom MNR has delegated its consultation obligations. The result is that SON does not know where to get information and whom we should be talking to.

The ARA process currently encourages an approach where the proponent only has to fill out a form indicating that consultation is complete. This is often not verified with First Nations and, as a result, the crown remains open to challenge for not having satisfied its duties.

Funding for First Nations: The current ARA regime, either in letter or in practice, does not require proponents to fund First Nations to participate in consultation and accommodation processes. This creates an enormous burden on SON, both in terms of staff time, political representative time, and consultant and technician time, to ensure that SON's aboriginal and treaty rights are protected. That time creates a cost burden which SON is required to bear in order to enable Ontario to fulfill its constitutional obligations.

Ontario requires industry proponents to fund the costs of many parts of the approval process in many industries, including aggregates. Industry proponents are often required to fund statutorily required public consultation processes, such as the environmental assessment consultation process, to pay for permit and licence applications, and to self-fund for technical and expert reports to receive those permits.

SON also submits that aboriginal consultation and accommodation should be no different from any other permit and approval with respect to cost. SON should not be required to bear the cost of Ontario's duty to consult and accommodate.

Cumulative effects analysis: There also needs to be consideration of cumulative effects of aggregate extraction on the environment and also on aboriginal and treaty rights. It is clear that SON's territory is threatened by intensive quarrying, so cumulative effects analysis is absolutely necessary to ensure our rights will not be infringed.

The Chair (Mr. David Oraziotti): Thank you for your presentation. NDP caucus: Ms. Campbell, go ahead.

Ms. Sarah Campbell: Thank you for your presentation and for coming here today to do so. In my

riding, I have 53 First Nations communities. Many of the issues that you have expressed around consultation, especially with regard to traditional territories, are similar to where I live.

I know that the crown has a duty to consult, and that duty supersedes any legislation and what may or may not be in the ARA. With that being said, you have highlighted a few things around communication, notification, the delegation of authority that needs to be cleared up. Are there any other changes specific to the ARA that you would like to see? Do you see any issues around MNR oversight, following up, any issues like that?

Ms. Maggie Wente: Hi, I'm Maggie Wente. I'm counsel for Saugeen Ojibway Nation. Councillor Smith has asked me to address the question, so I will.

With respect to the mechanisms under the Aggregate Resources Act, certainly I think our clients would take the position that there is absolutely not enough oversight or inspection with respect to compliance with permits and licences.

For instance, our clients have certainly seen that with respect to existing aggregate operations in their territory, those permits and licences aren't being followed, that there are violations all over the map with respect to those permits and licences, and, in addition to that, that the past history of a particular aggregate extractor's violation of permits and licences isn't taken into account when that proponent is applying for a new or expanded licence territory. So that's something that is definitely of concern to our clients with respect to how the aggregates act is operating right now.

Another thing is—separate and apart, I suppose, from the consultation and accommodation requirements—the fact that there's no cumulative effects analysis built into the act in order to do any kind of oversight or land use planning with respect to entire territories or entire watersheds.

Ms. Sarah Campbell: Thank you very much.

The Chair (Mr. David Oraziotti): Thank you. Liberal caucus?

Mr. Mike Colle: Thank you, again, for being here and representing the Saugeen Ojibway Nation.

You mentioned something very dear to my heart. You mentioned the greenbelt legislation, the Oak Ridges Moraine Protection Act and the Niagara Escarpment act as being detrimental to protecting your lands. How is it affecting you in a negative way? Because those are landmark legislation that protect millions of acres of farmland right across southern Ontario. I'm just wondering, what's the negative impact to Saugeen Ojibway Nation?

Ms. Maggie Wente: The negative impact is—the geography of Saugeen Ojibway Nations is such that it's mostly located on the Bruce Peninsula and immediately south. Their aboriginal title claim is with respect to the Bruce Peninsula—sorry, a Treaty 72 claim with respect to the Bruce Peninsula, then the waters around Georgian Bay and Lake Huron. Those pieces of legislation effectively create a huge gap in the geographical territory of southern Ontario, on which limited aggregates extraction

is available because of the restrictions. The next available part is the Bruce Peninsula. So our clients are being forced to bear the burden of the fact that there are green spaces available for Torontonians and for people who live further south, and the next available, close-to-market supply of aggregates is smack in the middle of our clients' territory, where they exercise their aboriginal and treaty rights.

Mr. Mike Colle: And that's why you heard other speakers say that people should go north and get the aggregates. Meanwhile, it's having an impact on First Nations territory by going north.

Okay, thank you very much.

The Chair (Mr. David Oraziotti): Thank you. Conservative caucus: Ms. Scott, go ahead.

Ms. Laurie Scott: Thank you. I was just going to ask you a quick question, but I will ask research just to follow up: the fact that permits, I guess, are granted without looking back at their past history. So if an applicant—we just thought that was, and I just want to get that clarified. Maybe if research could get back to us, because that's concerning if that's true.

Ms. Maggie Wente: Certainly that has been the practice. I don't want to name names, but certainly that has been the practice in our experience, that that hasn't been taken into account.

Ms. Laurie Scott: Thank you for making that point, because I hadn't heard that before. I appreciate that if no history—because we certainly would like history followed.

What you said about the deficient aboriginal consultations—I guess without naming names, is there some example that you could give where you felt you certainly weren't notified but everybody else maybe was, or do you think that MNR didn't realize that the property in question would be subject to consulting with SON?

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Ms. Maggie Wente: We did provide written submissions in advance of the past deadline, and there is a case study in there which highlights a particular case which my client's community is dealing with right now. There's a gravel pit operation. It is immediately adjacent to claimed wetlands that are crown lands, so that's land that's under land claim, and therefore there are possible impacts on it. Our clients were notified, i.e. told in an email, that this extraction was occurring; the permits were applied for years ago. There was no contact between the time of notification until 90 days or 30 days before the permit was about to be issued. Our clients received notification that the permit was going to be issued, they raised an objection, and only at that point—and still not yet—have we received any scientific or technical information about that operation in order to permit us to comment. There was legal action threatened against Ontario.

Ms. Laurie Scott: Okay. Thank you for that.

The Chair (Mr. David Oraziotti): Thank you very much for your presentation. Meegwetch.

Ms. Veronica Smith: Meegwetch.

MS. DONNA BAYLIS

The Chair (Mr. David Orazietti): The next presentation: Donna Baylis. Good afternoon. Welcome to the Standing Committee on General Government.

Ms. Donna Baylis: Thank you.

The Chair (Mr. David Orazietti): As you know, you have 10 minutes, so simply state your name and you can start when you're ready.

Ms. Donna Baylis: Okay. My name is Donna Baylis. Thank you for allowing me to speak. I am a computer consultant. I work part-time in the city and I live full-time near Creemore—actually, Dunedin; you're starting to hear a lot of that. While I live 15 kilometres from the proposed mega-quarry site, my opposition started when I saw the massive size of the site plan in the Creemore Echo newspaper. I understood the scale of this site because I snowmobile in the area. So I started reading and I started to learn a lot.

Ontario's Aggregate Resources Act is based on 40-year-old values. Over the years, it has been tampered with beyond recognition. Over a 36-page printout, which I have here, I counted 36 repealed clauses.

The ARA and its underlying policies allow pits and quarries to be dug anywhere, including environmentally protected land. It bypasses the environmental assessment process. It does not require that proof of need of aggregate be established. It requires that pits and quarries be dug close to market, which undermines recycling efforts. It does not take farmland, source water or people's health protection into account. The ARA and its underlying policies must be revised.

The recent approval of a 150-hectare quarry site at the headwaters of three rivers and on the top of the Niagara Escarpment west of Duntroon shows that even places like the escarpment which Ontarians believe are protected are in fact not safe from aggregate companies. The Ministry of Natural Resources is responsible for the Niagara Escarpment plan and the Endangered Species Act, but it's also mandated to promote the use of resources such as aggregate, and it's an obvious conflict of interest. Clearly, the ARA trumps every other piece of legislation and policy, and this has to be changed.

The proposed mega-quarry is an example of the extremes of the ARA and its underlying policies. I have included an information sheet and I believe Tamara was going to send it to you electronically, so I'm not going to go into the details of the mega-quarry. But in summary, last summer I heard Mark Calzavara of the Council of Canadians speak in front of Queen's Park. I had just taken the subway from Union Station. It was a beautiful, sunny day. He basically said, "Imagine yourself standing in a hole 250 feet deep. Now, that hole stretches from the Don Valley Parkway west to Ossington, from the Gardiner Expressway north to St. Clair." I could have taken the subway through the whole thing.

In other words, the proposal is huge. The footprint is roughly five kilometres by three kilometres, with a 33-kilometre perimeter. It would be the largest one in Can-

ada, and with the fact that the company owns more than 8,000 acres, it's likely going to be the largest one in North America. It's backed by a US hedge fund that has no quarrying experience, it's based on unproven technology, and they claim that the quarry floor will be reverted to farmland, which is ludicrous. It proposes pumping 600 million litres of fresh water per day in perpetuity, which is impossible.

Darren White of Melancthon town council says, "Think of the amount of water as three minutes and 40 seconds of flow over Niagara Falls. Or for those who can't picture that, think of the amount" of water "as 75 million two-fours of beer." That's every day, forever.

Mr. Mike Colle: That's a lot of beer.

Ms. Donna Baylis: That's a lot of beer.

In February 2010, the government of Ontario published the State of the Aggregate Resource in Ontario Study, SAROS, which cited a solution to the province's aggregate requirement as being a mega-quarry within 75 kilometres of Vaughan. Since the Highland Companies started buying land in 2006, it's difficult to tell whether the mega-quarry proposal was created to meet the requirements of SAROS or whether SAROS was published to fit the parameters of the mega-quarry. SAROS is not the be-all and end-all study because it excludes Ontario's largest quarry, which is Manitoulin, and it excludes Bowmanville, quarries in Ingersoll and many others because they're outside of that 75-kilometre requirement.

Forty years ago, this mega-quarry proposal would not have been possible. The technology and the infrastructure were not available. Our capabilities have changed and the law should be adapted accordingly. Also our values have changed, and the law should reflect that too.

Important values today are:

- environmentally protected spaces, including the Oak Ridges moraine, the greenbelt and the Niagara Escarpment;

- food security, partly achieved by the protection of prime farmland, and it was suggested classes 1 through 4;

- fresh, clean water for all as a human right, and it should be noted that the ARA, as it stands, is a back door to owning Canadian water;

- protection and recovery plans for endangered species; and

- resource conservation and waste elimination through reduction, reuse and recycling.

After scouring the Internet, I compiled a list of recommendations for the ARA and its underlying policies. That's the handout that Tamara just gave you, so it's 14 points.

- (1) Make conservation of aggregate, a non-renewable resource, a priority over the approval of new extraction sites. Conservation can occur through aggregate recycling and use of alternative materials. All three levels of government need to be encouraged to use these recycled products.

- (2) Reserve virgin aggregate, a non-renewable resource, for use within Canada.

(3) Prohibit aggregate extraction below the water table without a full environmental assessment and a full understanding of the impact on all areas, near and far....

(5) Develop a process and guidelines for identifying and designating new specialty crop areas to safeguard unique agricultural land resources. Prohibit aggregate extraction in specialty crop areas.

(6) Conduct a thorough study of all existing aggregate reserves in Ontario. We cannot know what we need until we know what we have.

(7) Develop an aggregate master plan and disallow new aggregate mining licences within environmentally protected spaces until that aggregate master plan has been fully approved by the people and the province. Align the aggregate master plan with existing environmental protection legislation, including the greenbelt, the Niagara Escarpment plan and the Oak Ridges moraine.

(8) Provide an assessment of the cumulative effects—the dust, noise, air quality, traffic emissions, effects on water—of the aggregate master plan on Ontario residents by district.

(9) Require that new quarry proposals demonstrate need for additional aggregate resource extraction in meeting the demands of the Ontario market.

(10) Mandate that an environmental assessment occur for all new or expanding aggregate operations.

(11) Realign the cost of virgin aggregate to reflect reality. Economically, aggregate is a low-priced, heavy-weight commodity that takes the bulk of its cost from transportation. Today, however, the price of virgin aggregate must include the activism necessary by residents to fight for their best interests despite the elected and public institutions designed to represent and protect those public interests. As well, the cost must encompass the environmental cost on residents. In other words, the market cost for virgin aggregate is unrealistically cheap. Create a management system that works for residents and price the product accordingly. This is called full cost accounting.

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(12) Address what will happen to the operators of small aggregate resources if a mega-quarry becomes the sanctioned approach. What will small operators do when they are subjected to the monopolistic power of a Goliath-like mega-quarry?

(13) Implement social licensing where operators must earn the right to continue extraction through responsible operation and timely and progressive rehabilitation.

(14) Include an end to the aggregate licence, a sunset clause. Legally, all contracts require a termination point. Give communities a light at the end of the tunnel. Operators have a tendency to keep a near-exhausted site active enough to avoid rehabilitation due to the expense. Or they extend the life of the operation by accepting commercial fill—the more contaminated or suspect the fill, the higher the fee they earn.

I'm not an expert, and, quite frankly, I should not be here. The fact that I am here, aware that the ARA even exists, is an indicator that the legislation is not doing its

job. Your mandate is to come up with recommendations for quick fixes to keep the public happy. Well, I'm sure you can see by now that there are no quick fixes. The government needs to take a long, hard look as to how to manage the competing needs for resources in the long term. Ontarians cannot afford to continue blindly extracting rock and destroying land at the expense of everything else. Food and water and quality of life must come first. That's it.

The Chair (Mr. David Oraziotti): Thanks. We appreciate the presentation. We've gone a little bit over, so I ask members to keep their questions as brief as possible. Mr. Colle.

Mr. Mike Colle: Thank you very much for your very helpful suggestions. I guess the one question I have to you is about recycling and the fact that virgin aggregate is really a lot more expensive than people think. The Ministry of Transportation uses up to 20% recycled aggregate when they build their roads. We've talked about what England does, but right here in Ontario we've got MTO, which is one of the largest users of aggregates, able to use 20% recycled aggregate. Don't you think that municipalities should start using recycled materials, and why are they not being pressured at all to start using recycled material like MTO does?

Ms. Donna Baylis: You're absolutely right, and a lot of them don't even realize they're not using recycled materials. A lot of them will tell you that they think they are because they are elected officials; they're insurance people. They don't know this stuff. It depends on their staffing and how their staffing has put the proposals together. That's one of the reasons the province needs to work with municipalities to point this out.

Mr. Mike Colle: Thank you.

The Chair (Mr. David Oraziotti): Ms. Jones.

Ms. Sylvia Jones: Thank you, Donna. I respectfully disagree; I think the whole point of us travelling to communities is to hear from people like you, so I do appreciate you taking the time to come and present to our committee.

I had one question regarding point number six, and that's when you say, "Conduct a thorough study of all existing aggregate reserves in Ontario." I'm not sure if you're familiar with the town of Caledon. They basically have incorporated the mapping of existing aggregate within their municipality. It's actually part of their official plan now. Is that what you had envisioned with your point six, or am I taking that in a different direction?

Ms. Donna Baylis: One of the problems—the aggregate companies do not release a lot of data. They say it's proprietary; they say that it affects the way they price their product. It's kind of like knowing how much oil there is in Iraq: You really don't know. We can't make good decisions if we don't have good data, and that data is not being collected. It's not being offered up.

Ms. Sylvia Jones: Thank you.

The Chair (Mr. David Oraziotti): NDP caucus. Mr. Marchese.

Mr. Rosario Marchese: Thank you, Donna, for the long list. I think your list, plus the lists that Margaret Mercer and Mike Schreiner prepared, reflect a lot of what people are saying, and that's a good guide for us all.

I had two questions, but I'm just going to limit it to one. The ministry—MNR—has two functions: one, it encourages extraction of aggregates, and the other is that it has a role of preserving our natural heritage, and sometimes the two seem to be in conflict. A number of people have talked about that. Do you have a view of that dual role that seems to be in contradiction with itself?

Ms. Donna Baylis: The provincial government has that same conflict of interest. They get a fee per tonne for every tonne that's dug up for aggregate, and they also get licence fees; but on the other hand, they have to decide whether a quarry gets approved. The whole Ontario government—they're the largest buyer of aggregates, so they need cheap aggregates. So they benefit. It's a conflict all over the place, and quite frankly, it's one of the reasons I've been pushing to involve the federal government, because I don't believe the provincial government can get around those conflicts.

Mr. Rosario Marchese: Thank you, Mr. Chair.

The Chair (Mr. David Oraziotti): Thank you very much. That's time for your presentation.

NORTH DUFFERIN AGRICULTURAL AND COMMUNITY TASKFORCE

The Chair (Mr. David Oraziotti): North Dufferin Agricultural and Community Taskforce. Good afternoon.

Mr. Carl Cosack: Good afternoon, Mr. Chair.

The Chair (Mr. David Oraziotti): Welcome back to committee.

Mr. Carl Cosack: Thank you.

The Chair (Mr. David Oraziotti): You have 10 minutes for your presentation, as you—

Interjection.

Ms. Sylvia Jones: He's holding a different hat.

Mr. Carl Cosack: Yes, totally. So thank you for allowing me to be here, committee members, staff and gallery.

Through this review process, you have already learned of the many reasons why this ARA review is so necessary and why the review is just so important. You have the very unique opportunity to set a new path forward, and in a non-partisan way, to truly serve the people of this province, whatever their political affiliation or the region they live in.

The people in Ontario are saying to you that one sector, the aggregate industry, can no longer be prioritized at the cost of every other industry or group in society, be it agriculture, tourism, First Nations, artists, culture or heritage, to name a few. The cost of that new condo in the city must just reflect the true cost of building it.

You already have a reasonable timeline to conclude this review, and we ask that you propose to have legislative changes made within 18 months or two years, and

seek public input as you narrow down the issues towards policy. By putting a time limit on these proceedings, you will ensure the aggregate industry's constructive help in this process, since they are assured there is an end game. And because we currently have enough licensed resources at hand to satisfy the market for the next two years, it is reasonable for you to request from the Legislature a moratorium on all licence applications until this review is completed and new policy is enacted.

All stakeholders agree on many things. Some of them are higher levies for better maintenance of local infrastructure; more coordinated approaches to recycling, building and construction standards to allow that recycled material in municipal projects; dedicated levies to rehabilitate and ensure compliance, held by the host municipality in a dedicated account, to empower those host municipalities to work co-operatively with the industry and not be subjected to the ministerial cutbacks envisioned by the provincial government of the time; and others that need more discussion.

NDACT is not concerned so much as to how we got to today, but rather how we move forward from today. Because of this stance, my brief will be solutions-oriented.

The public engagement in this process has been province-wide and exemplary in its conduct and professionalism. People are giving freely of their expertise and energy. I urge you to realize the enormous civility that has highlighted this public engagement and not to view this civility as a sign of weakness, or lack of determination, by Ontarians.

Our suggestions include the following, but are not limited to these. Since time given to prepare for these hearings has been short, we reserve the right to continually refine our requests and solutions. We are asking this committee to:

(1) Develop a tiered licensing program, recognizing different classes of applications. And as an example, we offer:

(a) A 50-acre extraction application that is not on prime farmland, not below the water table, and that follows the current ARA process. Any attempt at future expansion should be treated like a new licence application.

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(b) Proposals that endeavour to go below the water table should automatically be designated for a provincial EA, with the Ministry of the Environment taking the lead in the approval process.

(c) Applications that involve prime farmland should recognize that agricultural communities have spent decades and centuries, literally, developing their communities and values, and those communities and the lowest-tier municipality deserve the legislated right to vote on such a proposal in a binding referendum. Ontario's mantra is "food and water" first.

(2) There should be different-length commenting and review periods, depending on the class, size and complexity of the application.

(3) The more complex applications, let's say (1)(b) and (1)(c) described earlier, should have funding rules established for community organizations to be properly represented and municipalities financially enabled to deal with them properly. This should include the re-establishment of intervener funding, and if the guidelines are clear that this funding—which is, I believe, still law, just set aside—applies only to specific type or class applications, it will not meet with industry resistance.

As is the case with the Highland Companies' application, community groups and commenting municipalities are put at a great disadvantage. This process is not okay.

With regard to water:

(4) Source water regions should get legislative protection from industrial extractive activity. The risks associated with extraction in source water regions will never outweigh the benefits. You have the ability to protect Ontario's source water regions in order to safeguard our agricultural and economic well-being. You have to make that your own non-partisan legacy.

Allow me to quote: "The world's demand for fresh water is growing so fast that, by 2030, agriculture, industry, and expanding cities ... will face such scarce supplies"—this is only 18 years from now—"that the confrontation could disrupt economic development" and threaten political stability and public health.

The curious part is that this quote is from Stuart Orr, global freshwater program manager for the World Wildlife Fund, with support from J. Carl Ganter, director, Circle of Blue, and Jeff Seabright, vice-president, environment and water resources for Coca-Cola—members and chair, respectively, of the World Economic Forum's Global Agenda Council on Water Security. I bring the quote to your attention because these are truly unusual players deciding to work together to highlight and solve water issues. They are breaking new ground; so must this province through improved source water protection legislation with respect to industrial extraction.

Close to market:

(5) If an application is based on the PPS request "close to market" in an as-yet-to-be-defined perimeter around the Golden Horseshoe—let's say 75 kilometres from Vaughan—the licence should be restricted to local Golden Horseshoe use only, no export allowed. If the province plans for more development in this region, we should safeguard the resources that support that planned development. Both the PPS and ARA policy should implement those provincial priorities.

It is absolutely within the legislative right of the province to impose limits on the use of its resources through its licence approval process. If NAFTA does not allow this restriction, the province should challenge that, since the resources are within its jurisdiction.

The mega-quarry:

(6) A mega-quarry proposal, if truly desired by the province, needs to follow different provincial criteria, as highlighted by all the issues raised by the Highland Companies' application. Some qualifying standards include:

—Applications of such extraordinary magnitude should be based on a "willing host" principle. There are many ideas on how to establish a protocol for such a principle, and some precedents have already been set. This should include a true economic benefits study, community-negotiated benefits of the resource, and a larger economic benefit for the province by building infrastructure that can support such a mega-quarry and which will have employment and regional benefits after the mega-quarry has been exhausted.

—The number of municipalities and organizations that need to be notified of such a mega-quarry proposal needs to be broadened. There are effects from traffic, water, airborne pollutants and the economic impact, like the impact the Highland Companies' application would have on the Town of Blue Mountain's tourism, yet currently Blue Mountain does not need to be made aware of the proposal.

(7) The province should never consider applications that include any company's proposal to manage water in perpetuity, a simply preposterous thought that cannot have any credible expectation of fulfillment.

The Chair (Mr. David Oraziotti): Carl, that's time for your presentation, so I need you to wrap up.

Mr. Carl Cosack: Our political leaders should be proud of what has been accomplished by Ontarians over the past year. Ordinary people, those living in the tiniest of communities and the largest city in Canada, are standing up for their province, its land, water and bounty. They're not paid to lobby the government and influence its decision. They are stepping forward voluntarily because it is their duty to do what's best for their province. It is because of you and because of them that this review and all that lies ahead will be a success, not just for Ontario today but for future generations.

Thank you for your time.

The Chair (Mr. David Oraziotti): Good job. Thanks for your presentation.

If you have something briefly, go ahead.

Ms. Sylvia Jones: Briefly: You talk about how mega-quarry proposals should automatically trigger an EA?

Mr. Carl Cosack: No, below-the-water-table applications.

Ms. Sylvia Jones: I see that. But you also say in point 6, "Some qualifying standards include ... extraordinary magnitude should be based on a 'willing host.'" So you don't see a trigger point where a larger application should automatically have an EA?

Mr. Carl Cosack: Not by size alone.

Ms. Sylvia Jones: Okay. Thanks, Carl.

The Chair (Mr. David Oraziotti): NDP caucus, go ahead. Question.

Mr. Rosario Marchese: No, just to say I appreciate, Carl, your presentation again. It's very useful as a guideline for us. It adds to the many recommendations that have been made by others, and I really do appreciate the comment that you made about, "The public engagement in this process has been province-wide and exemplary in its conduct and professionalism. People are giving freely

of their expertise and energy.” I agree with that. I want to say on behalf of us all that we value that expertise and the engagement from the public, which is pretty, pretty large.

Mr. Carl Cosack: That’s right.

Mr. Rosario Marchese: And that’s something we respect and, hopefully, the changes we’ll make will reflect all of your suggestions.

Mr. Carl Cosack: Thank you.

The Chair (Mr. David Orazietti): Liberal caucus?

Mr. Mike Colle: I like your comment: “The cost of that new condo in the city must reflect the true cost of building it.” The problem, perhaps, Carl, is that right now, that closet in the sky they’re buying in downtown Toronto, 500 square feet, might cost them half a million dollars. So the poor person who’s desperately trying to find a place to live pays the \$500,000. They certainly are paying a high price, but meanwhile, someone is making a lot of money, and it’s not, as I said, the poor person who’s looking for housing. How can we get people to really understand? When they build their stone houses in downtown Toronto, ask for wider highways, more condos, how do we get them to understand that when they do that, they’re basically demanding more quarries to be built?

Mr. Carl Cosack: I don’t know if they demand more quarries. They demand material, whatever the source of that material might be. Lots of things have been discussed, from density issues. These issues are why all of you are here. It is not for us volunteers to solve all those sorts of issues.

Mr. Mike Colle: But again, how do we get people to understand that sprawl, building more highways, building more condos basically means more stress in areas like where you live?

Mr. Carl Cosack: Well, as others have said, there is vision necessary or long-term thinking, just like the vision was developed to develop the greater Golden Horseshoe to three times its current density over however many years. The vision is out there; somebody just needs to make a new one. This one is not working, as is evident by all the presentations that you have.

If I may, because Ms. Scott asked for an example of native consultation from a previous speaker, native consultation in the Highland application is a one-page letter informing the First Nations of their intent to file an application within one month. That is not consultation, and we certainly can get you a copy of that letter if you so wish.

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The Chair (Mr. David Orazietti): Okay, and I think the presenters affected expressed that as well, so thanks for reinforcing that. That’s time for your presentation today.

Mr. Carl Cosack: Thank you kindly.

TOWN OF SHELburne

The Chair (Mr. David Orazietti): The next presentation is the town of Shelburne. Mr. Deputy Mayor, good

afternoon. Welcome to the Standing Committee on General Government. As you’re aware, you have 10 minutes for your presentation, so whoever may be speaking, just state your name for our recording purposes, and you can go ahead when you’re ready.

Mr. Ken Bennington: I’m Ken Bennington, deputy mayor, town of Shelburne.

The corporation of the town of Shelburne is grateful for the opportunity afforded by the Standing Committee on General Government to submit some comments and recommendations regarding the committee’s review of the Aggregate Resources Act.

It has been, we understand, approximately 40 years since this act has undergone any changes. In our opinion, much has changed in this society in the last 40 years, and we applaud the government for now taking the initiative to re-examine this act and its impact on the people of Ontario.

Over the past 10 years, Shelburne’s population has grown from just over 4,000 persons to a current population of 5,825 persons. The number of households during that same period of time has increased from 1,500 to now 2,158.

To be clear, the town of Shelburne does not have any aggregate within its municipal boundaries. However, current and proposed nearby aggregate quarrying operations have, and will have, a direct impact upon the residents of our municipality. Our residents are subjected to traffic noise, dust and safety issues from current aggregate trucking operations. The proposed mega-quarry by the Highland Companies lies north of our municipality, and the majority of the aggregate haulage from that proposed quarry, and the haulage of supplies to the quarry will, according to the Highland Companies’ proposal, pass through our municipality on our municipal roads. This activity will cause further serious deterioration of these roads, resulting in additional road maintenance costs. Frankly, we are very concerned about the additional cost of maintaining our roads, should this proposed quarry become operational. The regulation under the act must be amended to provide more realistic compensation to our municipality and other municipalities across the province for the continued maintenance of the roads used by vehicles hauling aggregate products and/or quarrying supplies.

Our municipality, like many others in Ontario, depends solely upon water wells drilled into the aquifer to provide our potable water. Our water consumption over the past 10 years has increased almost 35% and all of this water comes from municipal wells supplied by the underground aquifers. We cannot live without water; thus, conservation and protection of the water within these underground aquifers is an absolute priority. In our opinion, Ontario does not have an inexhaustible supply of potable water.

Frequently, we hear reports of contamination and depletion of potable water supplies within the province of Ontario. Further, we are led to believe that quarrying operations that are operating below the water table often

discharge the water from the dewatering process into local streams and rivers. This process can increase the temperature of the water being discharged. We are advised that just half a percent increase in the temperature of the water in streams and rivers can negatively affect the spawning of fish in those streams and rivers. Protection of all underground aquifers, rivers and streams must be a priority of this government.

Our municipality is located within a primarily large rural agricultural area. Many of our citizens depend on agriculture for their livelihood. All of us need agricultural products for our daily food. Our population in Ontario is increasing and the amount of viable agricultural land is decreasing. The Ontario Smart Growth Network states that Ontario will need to find room for several million new people over the next 30 years. We cannot expect to feed Ontario's population from imported food sources. We are concerned about the steady depletion of quality class 1, 2 and 3 agricultural land within the province. We believe the province must move to protect agricultural land for food-growing purposes. We must protect our farmland, not dig it up or pave it.

We note that throughout the province of Ontario there are literally hundreds of abandoned pits and quarries. The majority of these are in need of rehabilitation. It is our understanding that rehabilitation is being undertaken through the management of abandoned aggregate properties program. In our view, this program is severely underfunded, understaffed and largely ineffective. We recommend that the rehabilitation requirements of the act be updated and strengthened.

With these concerns—preservation of potable water supplies and viable agricultural land, adequate funding to municipalities for road maintenance, proper abandoned quarry rehabilitation—in mind, we respectfully make the following submissions respecting proposed changes to the act:

Aggregate quarries should not be permitted to exist below the aquifer, unless a full environmental assessment has been undertaken with the unambiguous conclusion by all participants that any negative impacts will not occur. Any possibility for the contamination of aquifers must be avoided. Ontario's precautionary principle must be the core of the Aggregate Resources Act.

Any quarry that is currently located in an area of potable water aquifers or drinking water source must not be permitted to contaminate any local aquifers. This requirement must be enshrined in law. Further, in future we should prohibit aggregate extraction that will occur below the water table in all drinking water source areas.

All of the owners, shareholders, directors, officers, managers and supervisors of any aggregate quarrying operation should be held personally responsible and not able to hide behind the corporate veil for any environmental damage caused by the operation of the quarry, even after it has ceased its quarrying operations.

The Aggregate Resources Act and any acts relating to the extraction and/or use of aggregates must require that all demolished concrete products be recycled into new

concrete products and not permitted to be dumped into landfills. While this may slightly increase the cost of dealing with demolition waste, it retains most of the value of our resource. If Ontario is to have an economically viable future, we must conserve our aggregate, which, in our opinion, is a depleting resource. As a council, we are investigating the feasibility of passing a municipal bylaw requiring that all demolished concrete and aggregate within the municipality must be recycled.

Any application for a new aggregate quarry, or for the extension of an existing aggregate quarry, should be subjected to a thorough review process under the Environmental Bill of Rights. This review should encompass all relevant acts such as, at the very least, the Ontario Water Resources Act, the Environmental Protection Act and the Mining Act.

Further, all agricultural land in Ontario must remain as such and not permit the extraction of aggregate from beneath that land. We define agricultural land as class 1, 2 and 3 land upon which food crops can be grown. We recommend development of a process with the relevant guidelines to define and protect our agricultural land resources.

We do not agree with the policy that aggregate must be mined as close to its final use as possible. The additional cost of shipping aggregate from distant points within the province is, in the long run, more beneficial and retains our provincial natural resources for use within the province of Ontario.

All aggregate mined in Ontario must be used within Ontario and not be permitted to be shipped offshore. We must retain this depleting resource for our own use.

All existing and proposed quarrying operations must be required to provide adequate financial assurance to ensure that the operation and eventual closure of the site will continue to protect the environment and not become a liability of the people of Ontario.

Our council fully supports the submissions and recommendations made to the standing committee by the Environmental Commissioner of Ontario and the Canadian Environmental Law Association.

In summary, our council feels that there are serious issues respecting aggregate quarrying operations that must be recognized as such within the province of Ontario. This committee has the unique opportunity of protecting these issues. Good agricultural land in Ontario is at a premium. Our residents depend on it for their food and, in many cases, their livelihood. The resource of potable water within our province is depleting. Water is indispensable to our lives. We must do everything to protect its source and conserve its use. We encourage you to make recommendations to revise the act, its regulations, and encourage the revision of other relevant acts to ensure that Ontario's agricultural land is protected for agricultural uses and Ontario's water supply is not depleted or contaminated and remains a viable resource for our citizens.

Yours sincerely, the town of Shelburne.

1650

The Chair (Mr. David Oraziotti): Thank you, Ken. We appreciate the presentation. Just a few minutes for questions. The NDP caucus is up first.

Mr. Rosario Marchese: Thank you, Ken. I think that you as well are reflecting many of the things that people are saying. I'm glad to see you looking at number (4), although as I reference number (4), you talk about council "investigating the feasibility of passing a municipal bylaw requiring that all demolished concrete and aggregate within the municipality must be recycled." It's a good thing. Obviously, council has been talking about it. You haven't been doing it, but you want to do it, and you're exploring how you can do that. Is that the case?

Mr. Ken Bennington: That's correct.

Mr. Rosario Marchese: I really do believe the province has a role to play in this because you are creatures of the province. We can work with city councils to help you do that and to help all municipalities across the province do that. It isn't just a case of we do it in one ministry and municipalities could do it as well. I think we need to lead, and yes, we are in one ministry, but I think we also have the power of the province to help municipalities do this and, where there is reluctance, to force them, if that's what needs to be done.

Do you agree that we can find a way to co-operate and/or that we should be encouraging or forcing municipalities to recycle, or is there something else that should be going on?

Mr. Ken Bennington: I would agree with that, yes.

Mr. Rosario Marchese: That we should be co-operating with each other to make it happen, or do you think we should force municipalities to do this? What do you think should happen?

Mr. Ken Bennington: I think collaboration is probably the first step. If it doesn't happen, then you would have the power to force the issue—

Mr. Rosario Marchese: So what are some of the reasons why you might not have done it before and now you are looking at doing it? Is there an explanation?

Mr. Ken Bennington: I think it's just the principle we're working on. I don't really know why we have never done it in the past. But as these issues come to light and the focus is on that particular resource, now is the time to make that change.

Mr. Rosario Marchese: Okay, thank you.

The Chair (Mr. David Oraziotti): Liberal caucus, Mr. Colle.

Mr. Mike Colle: Just on that point there, I want to congratulate you for at least investigating using recycled aggregates. Do you know of any other municipalities in this area that use recycled aggregates?

Mr. Ken Bennington: I don't have anyone in mind. Not to say that there isn't; I don't want to put words in their mouth.

Mr. Mike Colle: Okay. Maybe we can get research to find out how many municipalities in the western GTA use recycled aggregates.

Anyway, thank you. I think that's obviously—you know, a small municipality like Shelburne may lead the way in this direction and possibly MTO could be of help because they are also very advanced in their recycling. That's maybe one way we could help Shelburne, given your size. It's hard to do it by yourself, so if you need expertise in that we might be able to do that.

When is the fiddle—what's the date?

Ms. Sylvia Jones: I'll send you your invite. It's August 6, 7, 8, somewhere in there.

Mr. Mike Colle: Shelagh Rogers is going to do it again?

The Chair (Mr. David Oraziotti): Okay. Thank you.

Ms. Sylvia Jones: We're getting sidetracked.

The Chair (Mr. David Oraziotti): Ms. Jones, go ahead.

Ms. Sylvia Jones: Thank you, Chair. I have two questions but they are actually related. You made reference to the management of abandoned aggregate properties program, which is basically rehabilitation of abandoned pits and quarries. The money that is used for that actually comes out of the levy. There's a very small—I think it's half a penny that comes out of the levy that goes into those abandoned pits and quarries. A number of them, in fact, are municipal, former wayside pits and municipal pits.

My question is related to your reference to wanting the levy increased. You're not the first person who has raised that. Many have talked about how we need to ensure some continuity, that if there is an additional flow of money, it doesn't just go into general revenue, that it actually gets set aside for rehabilitation, for municipal assistance in roads etc.

A two-part question: Do you have any suggestion to the committee on what the levy should be? And do you have an opinion on whether you would like to see that separated out from general revenue or that a higher percentage go into rehabilitation of abandoned pits and quarries? Sorry, long question.

Mr. Ken Bennington: I think it should be separate funding so we can track it and it's transparent.

As far as the levy dollar amount, I don't have a dollar amount in mind or at my fingertips, but when I do some home improvements, I always go with, double it and add 10%, so let's start there.

Ms. Sylvia Jones: Thanks, Ken.

The Chair (Mr. David Oraziotti): Thank you very much. That's time for your presentation. Thanks for coming in today.

OXFORD PEOPLE AGAINST THE LANDFILL

The Chair (Mr. David Oraziotti): The next presentation is Oxford People Against the Landfill. Sometimes we're not too clear on some of these acronyms or the names of the groups, but this is fairly clear.

Good afternoon. Welcome to the Standing Committee on General Government. You've got 10 minutes for your

presentation and five for questions. Simply state your name and you can get started.

Mr. Howard De Jong: I'm Howard De Jong. I'm here representing OPAL, Oxford People Against the Landfill. We have an issue in Oxford county. The community has now risen, and in four months we've developed a pretty extensive group and an active group. We feel our community is being threatened, and part of the threatening details come from the Aggregate Resources Act, specifically the rehabilitation portion.

Honourable members, I appreciate you entertaining our submission today. The process you are undertaking is absolutely necessary. Re-evaluation and rewriting portions of the act are crucial to protecting communities. We are not dealing with the same environments that existed in 1990. Corporations have had a 20-year head start on this act. Corporations can write off all expenses as development costs. Compare that to communities who are trying to protect themselves with the proceeds of bake sales, auctions and barbecues. This is exactly what we're doing in Ingersoll. We can't even donate to the cause and get a tax receipt, much less have a complete deduction.

The very first page in the act that I read identifies reasons for the act: item (c) is to require the rehabilitation of land from which aggregate has been extracted; and (d) to minimize adverse effects on the environment. We knew this in 1990. It must have been a problem back then as well; we still have it.

If you'll indulge me, the average thought process of any business when faced with a pit that is playing out: They begin to develop an exit strategy. First, it would be normal and expected that these companies would find the absolute, most cost-effective way to rehabilitate according to their site plan. Second, they would check in to see if we can get somebody else to do it for us, to minimize costs, and can that party take on our liabilities of site plan obligations. Third, a question would be: Is there a way we can gain from the rehabilitation process? Can we charge for what goes back in? Can it be done without jeopardizing our aggregate licence? Can a third party assume that risk? All of this thought process should be expected from any licence holder, especially ones that are responsible to shareholders first and would consider fines as a cost of doing business, or exit strategies that could employ possibly leases, subleases, transfers or other avenues of bypassing a rehabilitation site plan commitment.

1700

Why and how does the Aggregate Resources Act end up in a landfill argument? Do we accept incomplete rehabilitation? Should we, in the future, accept incomplete rehabilitation? Presently, we're in the middle of it. Do we accept from anyone other than the licence holder to complete a rehabilitation for them? Do we now accept waste of all shapes and forms as rehabilitation? Do we accept transference without guidelines? Are we somewhat naive or does this act seriously need updating? Not only this gaping hole in the ground that we have that entices landfill companies, this gaping hole in the Aggregate

Resources Act concerning rehabilitation is ultimately responsible for the process beginning.

We need clarity for exactly the same reasons as in 1990. Aggregate operations have found their way around rehabilitation site plans. They have found their way around commitments. With the seemingly unending list of waste companies working their way into existing aggregate operations all across the province, we must prepare ourselves or at least have a way to stop a clearly wrong application. This can be done by building a very exact, very specific and enforced—and I stress, enforced—rehabilitation requirement.

At this point, I would like to pause and just throw out there: We have had one incursion with a NAFTA connotation to it. Could you imagine if all of a sudden a NAFTA avenue came forward and decided to overthrow this so that we had to knuckle under and accept a wrong application?

Our community, after hearing Shelburne's submission, we agree with them 100%. A very excellent submission. But our community is also in favour of proper aggregate operations—well-run operations, well-planned operations and compliant to their industry agreements such as site plan rehabilitation. It is required and it's a condition of licence. How are these companies allowed to continue under their aggregate licence while openly having an agenda to bypass them and put something into that quarry that is clearly not supported by the act?

Until now, we, in Oxford, have lived in a symbiotic relationship with the lime quarries. We've put up with dust, noise and trucks; we received some employment in return. It was a symbiotic relationship. When the wind blew in a certain direction, we knew that you just didn't hang the laundry out on those days. The final piece of the puzzle was that the licensee was going to make things right again. We, as a community, counted on that, and we counted on them honouring their agreements.

The present proposed landfill that is being proposed to go into this quarry is directly on top of porous bedrock and our aquifer. The map later shows that.

We also want the province to understand that landfills—we are promoting that our province entertain far, far higher and better, more world-class techniques in recycling practices. It can be done. It's been demonstrated in other areas of the world. We're sadly lacking. New operations of this nature really are not necessary. Why is the Aggregate Resources Act involved, or seems like it's fostering it? Just as we agree with others that, seeing as there are approximately 150 years' worth of aggregate licences open in the province, there should be a proven need to issue new aggregate licenses, we also feel that needs have to be demonstrated before any landfills are placed in these quarries that actually have rehabilitation agreements attached to them which aren't being honoured.

We definitely need more transparency. The public opinion needs to carry more weight. Current projects slip through under the radar with little or no public partici-

pation. While comments are collected, they really don't carry a lot of significance.

These are our homes, our communities, a stone's throw away from where family is buried, on top of an aquifer in one of the few remaining areas in southwestern Ontario that still draws water from freshwater wells.

The Chair (Mr. David Oraziatti): Mr. De Jong, that's about time for your presentation, so if you just want to take a minute to wrap up, that would be great.

Mr. Howard De Jong: Okay. We will wrap up, thank you.

As a community, we now fight with whatever we have at hand. Previously, we didn't have to worry about the future of our community. Now we constantly worry, defending against a proponent and a process that strive to change our way of life. The role of government is to make sure that no one gets an unfair advantage to the detriment of the many.

Thank you.

The Chair (Mr. David Oraziatti): Thank you very much for your presentation. Liberal caucus.

Mr. Mike Colle: Thank you for the excellent presentation. I guess you're getting the double whammy here: You've had the quarry; now the proponent is trying to turn it into a landfill site?

Mr. Howard De Jong: Actually, the quarry is carrying on operations on a very large site. There is a second participant that is proposing to—

Mr. Mike Colle: On the same quarry?

Mr. Howard De Jong: On the same quarry, and we are not able to access the information as to the deal between them as to how this aggregate licence is going to be transferred to yet another company that's proposing to put a landfill on the same property. This is what we're trying to defend ourselves against. It's like shadow-boxing something that isn't there. There is a proponent putting it forward. They have an office and they are collecting terms of reference for the project, and yet the owner of the licence carries on operations seemingly unaffected. How is that possible?

Mr. Mike Colle: So obviously, what you're making very clear here is that the rehabilitation site plans really aren't worth the paper they're written on.

Mr. Howard De Jong: They're basically being circumvented in our case, for sure, and from what I hear from Shelburne, and from pits that are obviously abandoned all across the province; apparently there are 70 open permits in one township right next door to us.

Mr. Mike Colle: Thank you.

The Chair (Mr. David Oraziatti): Conservative caucus, questions? Mr. Arnott, go ahead.

Mr. Ted Arnott: I want to thank you very much for making this presentation because it sheds light on a part of the issue that I wasn't aware of, certainly. I'm not a member of this committee—I'm subbed in today—but I think you've made a number of very significant and salient points that the committee needs to consider in the context of the overall review of the Aggregate Resources Act.

You said it's a second participant that is seeking to establish a landfill.

Mr. Howard De Jong: Yes, sir. There is a company that owns the property of the quarries—they are the licensee—and we have another company, which is a landfill company, which is presently collecting terms of reference. They indicated to the community that they intend to go forward and have a plan in place and a deal in place somewhere along the way. We are not party to that deal. We don't know how or why, but we really believe that the Aggregate Resources Act—under proper rehabilitation and following things that are already set out in the act, this should never have come to light. That pit should have been full, if that's the case.

1710

Mr. Ted Arnott: Thank you.

The Chair (Mr. David Oraziatti): Thank you. NDP caucus?

Mr. Rosario Marchese: Thank you, Howard. It's the same question. I mean, clearly the licensee is working hand in hand with this other operator. There is no doubt about that. They're obviously doing this together. My only question is, when you contacted the ministry or the political part of it, either one or the other, did you get a meeting? Who did you meet with? Were you able to get meetings? What did they say?

Mr. Howard De Jong: Interesting question. We have had very frustrating meetings with all levels of political environments. We asked almost every politician that we have in our region for leadership, even if it's not directly in their camp. Federally, we got the response that "It's not my jurisdiction." We were really impressed. Provincially, we got an ear. We are a Conservative riding, and we were basically told that he has pushed every button that he can in order to raise the issue, but they're not in power and therefore he can't get very far at this point in time. Local councils, both town and county, have struck out and sent out a message to the provincial government that they are—apparently, they are not allowed to show bias in their position, but they have issued a request of the provincial government to put a moratorium on new landfills. That's about as far as they could go out on a limb.

Mr. Rosario Marchese: And did you contact the ministry directly?

Mr. Howard De Jong: Not myself.

Mr. Rosario Marchese: Somebody else, yes?

Mr. Howard De Jong: Others have, yes.

Mr. Rosario Marchese: And did you get a meeting?

Mr. Howard De Jong: There is a meeting coming up, yes.

Mr. Rosario Marchese: Oh, coming up. Okay. So you don't really know what the response might be.

Mr. Howard De Jong: Not at this point in time, no.

Mr. Rosario Marchese: Okay, thank you.

The Chair (Mr. David Oraziatti): Thank you very much, Mr. De Jong. That's time for your presentation.

Mr. Howard De Jong: Thank you.

DUFFERIN FEDERATION OF AGRICULTURE

The Chair (Mr. David Oraziotti): The next presentation: Dufferin Federation of Agriculture. Good afternoon. Welcome to the Standing Committee on General Government, Leo. As you know, you've got 10 minutes for your presentation. Just simply state your name and you can start.

Mr. Leo Blydorp: Thank you. My name is Leo Blydorp. I'm a farmer in Dufferin county and I am also on the Dufferin Federation of Agriculture, which represents over 500 farmers in Dufferin.

I've been a farmer in Dufferin for the last 10 years. Before that, I also farmed in Huron county. Before that, I worked in industry for many years. I've had a long passion for agriculture soils and maintaining productive soils in Ontario. I was a student at the University of Guelph, and in my activism days back then, we were busy trying to stop some of the advancing developments in Halton and Peel; we know how much the city of Brampton has stopped growing. I got into the work world and worked for many years and then decided I was going to go farm, go back to an old interest. Then, in the last number of years, I became very familiar with many of the issues surrounding aggregates and an application for a mega-quarry in Dufferin county and Melancthon township, not too far from where I farm.

I want to thank this committee for moving beyond Toronto. Most of us who are affected by aggregates are in the agriculture industry, and I think we have some valuable insights in terms of how that land should be preserved for the long term. I also appreciate the presentations that were made in Toronto from both the Ontario Federation of Agriculture, which we are a member of, the county federation, and NDACT, which I'm also a member of. I guess I could go and sit down because most of the stuff in there I support, but having 10 minutes here, I want to use a few of those minutes.

As I said, I'm very passionate about maintaining our productive soils in Ontario for perpetuity. It took us about 10,000 years to produce the soils that we have in Ontario following the last glaciation period and in the last 150 years we have already lost about 20% of that to productive agriculture—largely due to urbanization.

We've heard a number of the statistics, that only half a per cent of the Canadian landmass is class 1 land, and 52% of that is in Ontario. There are a few other statistics that are used in quantifying and determining the worth of the land that aren't often considered. The first is the land inventory class that's already been spoken about, the class 1, 2, 3, 4, 5, 6 and 7 lands. But there's another way of classifying land and that's according to climate. According to the climate categorization, there are three things. First of all, frost-free period: We have to be able to grow crops without frost. The second is degree day information. That's primarily how much heat we have. And thirdly is the amount of moisture that we have.

When you mirror that on top of the land inventory classes, the class 1, 2, 3 and 4, the most favourable classes, according to the Agroclimatic Resource Index, also fall in Ontario. It's not often that I speak highly of statisticians, but Agriculture Canada and their statistics division have said that on a clear day over one third of Canada's best agriculture land can be seen from the top of Toronto's CN Tower. So that might extend this far, maybe a little bit further north, but a lot of that best land that we are trying to protect is in Ontario.

It's our contention, as the Dufferin Federation of Agriculture, that Ontario has been paying lip service to protecting our best lands from development. It seems that any kind of thing is better than farming it. We get these questions all the time. We get questions about people who buy land and can't have severances. They want to be able to profit from their land in ways other than through agriculture production.

As a society, therefore, I think we can come a long way in appreciating our farmlands, because, again, it seems that development is always the best way: Is there some way that you can add value to that land? We've had a number of regulations on the books for a long time that give this lip service—and I'm looking at the Ontario policy statement here.

First of all, under long-term economic prosperity, it says that we should promote the sustainability of the agri-food sector by protecting agriculture resources and minimizing land use conflicts. And then, under another section, 2.3.1, it states that prime agriculture areas shall be protected for long-term use for agriculture.

But then, under mineral aggregate resources, the policy statement says, "In prime agricultural areas, on prime agricultural land, extraction of mineral aggregate resources is permitted as an interim use provided that rehabilitation of the site will be carried out so that substantially the same areas and same average soil quality for agriculture are restored."

Then, it gets a little bit schizophrenic, in my opinion. It says, "On these prime agricultural lands, complete agricultural rehabilitation is not required if ... there is a substantial quantity of mineral aggregate resources below the water table warranting extraction, or the depth of planned extraction in a quarry makes restoration of pre-extraction agricultural capability unfeasible," and it goes on and on. So either we're going to protect our farmlands or we're not.

There was mention about food and the fact that we have a growing population in this province. In addition to just producing food, agriculture has also been asked to produce a lot of other goods in the last 10 years. The use of biofuels has increased astronomically, to the point that 40% of the US corn crop is now going into ethanol production. In addition, there are other agriculturally based products that are starting to be a part of the economy. I'd like to argue that agriculture has surpassed the automotive industry as the number one driver of the economy, and in order to continue to maintain that, we need

to maintain our class 1, 2, 3 and 4 soils—our prime agriculture soils.

1720

While I've argued strongly for protecting our prime agricultural land, it doesn't mean that I'm opposed to the aggregate industry. As a farmer, I rely on aggregates, on good roads to try to get my product to the marketplace. I rely on aggregates to make buildings. But it's our contention as a federation that there is not a lack of aggregates. There's no shortage of aggregates in Ontario.

I have travelled to different places in the world, and the country of my origin, which is the Netherlands, has very little aggregate, and they seem to be functioning quite well. I've been travelling in the Third World; countries like Bangladesh have no aggregate. The last time I drove north of Simcoe all the way to the Manitoba border, there was about a 16-hour drive's worth of aggregates as soon as you get to the north part of Simcoe county.

I think there's lots of aggregates. It's a matter of where we decide to get them from. According to the Ministry of Natural Resources, there are five major limestone formations throughout the province. We don't need to go to our best agricultural lands to get these aggregates needed for our infrastructure.

Other jurisdictions have been successful in protecting farmland. I think BC has an agricultural land reserve, and it protects their prime agriculture lands in the lower Fraser Valley very effectively. Quebec has some similar legislation.

To conclude, the DFA requests that the Aggregate Resources Act and other related policy and regulations, such as the provincial policy statement, be amended to first of all prohibit aggregate extraction on our prime agricultural lands. Classes 1 through 4 and specialty crop lands should not be open to aggregate extraction until all other areas have been exhausted.

In areas where agriculture is the predominant use, rehabilitation of existing quarries and gravel pits must restore the extracted area back to agriculture. This rehabilitation needs to be monitored to determine the extent and effectiveness as measured by the resulting productivity of the soils. This should go over several years; it's not something you can just simply determine in one or two years.

Finally, there need to be sufficient funds set aside—fees collected, or something—so that this rehabilitation is able to occur and occurs in a timely manner.

Thank you for the opportunity to address this committee.

The Chair (Mr. David Oraziatti): Thank you very much for your presentation. Conservative caucus first. Ms. Jones, go ahead.

Ms. Sylvia Jones: Sure. Thanks, Leo. Just one point of clarification: We've talked a fair bit about rehabilitation today. Just so everyone is clear, for existing licences, it is the responsibility of the licence holder to rehabilitate. The abandoned rehabilitation or rehabilitation that occurs on abandoned pits and quarries is pre-1971, so it's a

different group of abandoned quarries. The current legislation does not allow extraction and then walking away—just so we're clear on that.

Back to the levy, with the rehabilitation fund, has the Dufferin Federation of Agriculture had any discussions about what that levy should be? As you know, it's 11.5 cents right now. I believe a half a cent goes to the rehabilitation fund. Do you have any thoughts on whether that should change, how it should change?

Mr. Leo Blydorp: Well, we haven't had any discussions on what that should be or whether it should change other than the fact that there's a generally held belief that there's not sufficient money there to do the required rehabilitation.

There's also the thought regarding the active pits, that many of these pits are kept active—whether there's a lot of extraction going on or not is another thing—just so that they can avoid the rehabilitation. Maybe they only haul a load of gravel out of there every five years.

Ms. Sylvia Jones: So that they don't have to do the rehabilitation component.

Mr. Leo Blydorp: Right. The truth of that I don't know, but that's some of the scuttlebutt that I hear around the countryside.

Ms. Sylvia Jones: Thank you.

The Chair (Mr. David Oraziatti): Thank you. NDP caucus: Ms. Campbell, go ahead.

Ms. Sarah Campbell: Thank you for your presentation. I have a question. There seems to be some conflicting commentary about whether or not it is possible to rehabilitate farmland back to a usable kind of use. What's your view of that? Is it possible to rehabilitate farmland, especially when the ground underneath it has been removed?

Mr. Leo Blydorp: Well, that depends. Really, if you're digging a hole 200 feet deep and you're removing all the limestone that has a lot of characteristics that make that area very suitable to agriculture, I seriously question whether that can be done. It's not just the topsoil; it's the underlying subsoils that also contribute to the effectiveness and the production capability of the soils above in terms of drainage characteristics, nutrient retention and a whole other host of chemical, physical and biological processes that take place in soil. Soils are very complex. They're full of life, they're full of chemistry, they're full of physical characteristics, and a lot of that stuff is destroyed when we do a lot of extraction.

I think we have a lot that we can learn about rehabilitating these pits and determining how much of an underburden or overburden is required to be moved back from the original parent materials before the topsoil is put back on. So I think it's possible, especially with some of the smaller pits, but for some of these large holes in the ground, well, I've never seen any rehabilitated and I question whether or not it can be done.

The Chair (Mr. David Oraziatti): Liberal caucus: Mr. Colle.

Mr. Mike Colle: Thank you, Leo. In terms of protecting farmland, right now Ontario has one of the largest

protected greenbelts in North America, the Ontario greenbelt: over a million acres protected, a lot of that farmland. Are you in favour of expanding the boundaries of the greenbelt as a way of protecting farmland and making it stronger so there isn't aggregate extraction allowed in the greenbelt area and the Oak Ridges moraine area, for instance?

Mr. Leo Blydorp: Well, it depends if you're asking me or if you're asking the federation. We've had some different discussions. I think all agricultural land that is class 1, 2, 3 and 4 should be protected, whether it's in the greenbelt or outside of the greenbelt. I think we continue to have way too much fragmentation of land going on. There have been a lot of old severances that are still being activated. While there's been some discussion about a leapfrogging effect beyond the greenbelt, I think as a society we have to make a decision: Do we want to protect farmland? Do we want to have farmland and crop-producing land available to future generations? Can we move some of our urbanization, some of our commercial and industrial developments, to poorer classes of farmland? I think we can, because we have so little farmland to begin with, but our history of development started on the best farmland and it has continued from there.

Mr. Mike Colle: Because it's easy to build on farmland for the developer.

Mr. Leo Blydorp: Well, it's also easy to build, but you look at the city of Sudbury, which is largely on rock, and they seem to be able to make things work over there.

The Chair (Mr. David Oraziotti): Thank you very much for your presentation. That's your time today.

MR. DAVID VANDER ZAAG

The Chair (Mr. David Oraziotti): Our next presentation: David Vander Zaag. Good afternoon. Welcome to the Standing Committee on General Government. As you're aware, you have 10 minutes for your presentation, so simply state your name and you can start.

Mr. David Vander Zaag: Okay. My name is David Vander Zaag. Good afternoon, members of the committee, and thank you all for taking the trip up. Thank you for being members of the committee. It reinforces—I'm an optimist—my belief in government and democracy. It's great to see you here.

I am a third-generation farmer with four sons and grow potatoes on an 800-acre farm directly adjacent to the proposed mega-quarry site. I'm here to tell you this afternoon about the very unique nature of the soils on this 15,000-acre plateau. It's a story that is not understood, and that is why I am here to do so.

This is a message that is lost today because only 1.5% of the population in Canada are farmers. By comparison, in 1930, one third of the population farmed. How can the 1.5% be heard, and watch over and protect this resource that we all depend on, a resource that is under so much pressure? It is a huge challenge.

My background is unique and gives me an acute appreciation for this land. I grew up on a potato farm in Alliston and moved to Shelburne 14 years ago when we found this farm for sale. I also am fortunate enough to operate five potato equipment dealerships in Michigan, Ontario, New Brunswick and PEI, and have visited farms all over the world. This experience has given me a great appreciation for how blessed we are with prime farmland of this quality.

1730

My father moved from a farm in Holland to Canada. Before then, my grandfather won a lottery before the Second World War that allowed him to move from a small farm in North Holland to one of the new reclaimed polders. During the Depression, in order to make that land good enough to farm, teams of men turned the soil over six feet in depth by hand to put the sand on the bottom and the loam on the top. It's something that occurs naturally right here.

In Holland, they spent millions turning water into farmland, the very opposite of what could happen just north of where we are sitting. They had experienced hunger and knew that creating farmland and securing a food supply was in the national interest.

My principal argument is about land use planning and what makes sense for our society as a whole. I will attempt to explain to the non-farmers in the room why this land is unique and vital. Describing it is like trying to describe a masterpiece you cannot see, but I will do my best, so let me explain in laymen's terms what makes this class 1 ag land so special. It has 7 main characteristics:

- (1) Its soil type is loam.
- (2) It's stone-free.
- (3) It's flat.
- (4) It's uniform. Each 100-acre block is the same.
- (5) It's contiguous. It is one large 15,000-acre block of the same soil type.
- (6) It's well drained.
- (7) And its location: you get 28 inches of rainfall, a moderate climate, and we're 90 minutes from five million people.

Any two or three of these characteristics alone would make land good. This land rates "excellent" on all seven of these characteristics. Let me explain.

Soil type: At the one extreme you have sand, like you find on a beach. It can be worked easily but doesn't hold water or nutrients very well. At the other end of the spectrum, you have clay. If it is heavy enough, you can make bricks from it. Clay holds moisture and water but cannot be worked very easily. It gets lumpy and can remain wet for far too long.

What we have is honey wood loam. It is the best of both. It drains well like sand, yet holds water and nutrients like clay and it works smoothly, like butter in your hands. It's ideal for growing crops that grow in the ground, like potatoes. Loam soils are exceptionally rare. Root crop farmers scour the province trying to find it and pay a premium when they do. As the saying goes, "Good land breeds good farmers," and the most expensive crops.

Where there is loam you will find high-value veg crops. Potatoes, for example, gross \$3,000 to \$4,000 an acre while grain would gross \$500.

Sand soils can grow vegetable crops, but it is not as sustainable for the environment. Sand requires more fertilizer and requires much more water, all resources that are expensive and scarce.

Number two is that it's stone-free. This is self-explanatory and rare. It is very important and a huge advantage when growing a root crop like potatoes that need to be separated from the earth. Stones damage crops and equipment. Almost all potatoes grown in Michigan, New York, New Brunswick and Maine—four important major growing areas—fight with land that has as many stones as it has potatoes. Just this characteristic alone makes us the envy of these regions.

Number three, it's flat. Hilly or rolling fields are difficult and dangerous for machines to work. Hilly land also erodes easily. When it rains, the high spots lose their topsoil and dry out, while the low spots drown out and get too wet. In New Brunswick, for example, farmers use terraces every 60 feet around hills in much of their potato land to combat this.

It is uniform. The farms here are of a uniform soil type throughout each 100-acre block. This is very rare as well. On many fields I have worked, the soil will change within the 100-acre area from clay to clay-loam to sand, all within the same farm. Each farm on this plateau is the same from front to back, which is very rare.

On top of that, it's contiguous. This 15,000-acre plateau is contiguous. It is not only uniform throughout the 100-acre block; the complete 15,000-acre plateau is essentially the same from field to field. I can't emphasize to people who don't farm how rare this is. It's something that we have special right in our backyard. By comparison, the Holland Marsh is about a 7,500-acre block. Our plateau is twice the size and all in one block. That's the reason that I feel it's important; because we really do not appreciate how what we have is unique. If there's one point I can get across today, I would like to make that point.

Well drained: The 200 feet of karst limestone aquifer beneath the fields holds a tremendous amount of water and also maximizes drainage. The limestone provides an open bottom that protects veg crops from flooding and damage from heavy rains. A vegetable grown in the ground cannot sit in standing water without rotting. We have had cases of nine inches of rain in the spring, but within 24 hours all the free water had dispersed into the karst and underground river systems.

By comparison, the land west and east of this plateau needs tile drains strung 20 to 40 feet apart to accomplish the same. But tiling doesn't come close to doing the same thing.

Location: We are only 90 minutes from Canada's largest city and five million people. We are blessed with an average of 28 inches of rainfall a year. Compare this to regions in the US which do not get enough rainfall and depend solely on irrigation for their water. For example,

the Ogallala aquifer runs under eight states, from Texas to South Dakota. Its volume of water is equal to that of Lake Huron. That region provides one fifth of the US ag harvest and has been over-pumped, and there are estimates that that aquifer will be depleted in 25 years. There are warning signs of what's coming ahead.

Now that you see what characteristics make this land unique, we have seven out of seven—seven excellent ratings out of seven. Just how scarce is this class 1 type of land, the highest-quality land available? An analogy that I can do to help you understand that is that if the province of Ontario were a 100-acre farm, only three-and-a-half acres of that 100 acres would be farmland and less than one thousandth of an acre would be vegetable land, growing the highest-value, highest-tonnage crops per acre. As far as land use planning goes on our 100-acre farm, why destroy the most valuable one thousandth of an acre when there are 96 acres of non-farmland available, or the poorest class 4 to 7 farmland at minimum?

While I've tried my best to describe this soil and its rare qualities, you have to see it. Considering what is at stake—the magnitude of the proposed mega-quarry on this very land—I would like to invite you to visit our farm so we can show you what we are talking about: where your food comes from and how unique this farmland is. Individually or as a group, you owe it to yourself to see first-hand. You owe it to Ontarians.

This discussion is about stewardship. Farmers cannot do it alone. The farmer's voice and our knowledge are getting crowded out by the 98% who don't farm. The stewardship of our land is a responsibility that must fall on all of us and, to a much larger degree, our elected officials, who provide leadership and set policy. I applaud the government for the steps taken so far—the environmental assessment that has been ordered for this unprecedented application and for the review of the ARA. Thank you. But now is the time to take the next step. Now is the time to call for a moratorium on all aggregate applications involving prime farmland until the flawed ARA is revised.

It is clear that there are problems with the act. Prime farmland is not protected under the ARA, and that must change. There is no downside to taking the time to get it right.

I close with a final quote from Franklin Roosevelt back in 1937: "The nation that destroys its soil destroys itself." Those wise words are more valid today than ever. Thank you for your time and attention.

The Chair (Mr. David Oraziotti): Thanks very much for your presentation. We appreciate the work you put into that. NDP caucus? Go ahead, Mr. Marchese.

Mr. Rosario Marchese: Thank you, David. A couple of comments: I just want to thank you for providing a more emotive and visual connection to the land. It's not as if the others were not effective, but it just adds an extra layer of visuals to it, and I think it's very useful. You might send us an invitation; some of us might come back to visit your place.

Mr. David Vander Zaag: That's great.

Mr. Rosario Marchese: Third, don't underestimate the fact that more and more city people value the agricultural lands that we have in Ontario. I think those connections are happening more and more, and it will be city people who will defend agricultural land; it's just a question of time. So I think we, as political parties and governments, have to create this hierarchy of needs, and I appreciate how much agricultural land contributes to our lives. I think, hopefully, we will have a better response to all of this at the end of it.

I think it also reflects that many of you are saying that you're not against aggregates. You're all saying that. You're all saying that there is no shortage of aggregates throughout Ontario, and we need to study that. We also need to study recycling better and make better use of recycled aggregates. I think we're going to have to move on that. My hope is that at the end of this, we will do a better job of it. Thank you for your presentation.

The Chair (Mr. David Oraziatti): Thank you. Liberal caucus? Mr. Colle.

Mr. Mike Colle: Thank you for the very poetic presentation, sort of echoes of—I think it was Scott Fitzgerald's book, *Tobacco Road*. I don't know if you've ever read it or seen the movie.

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Mr. David Vander Zaag: No.

Mr. Mike Colle: It's all about the love of the land and losing the land during the drought and the hard times, I guess, in the Carolinas. Anyways, sorry to digress.

The thing that you've done very well here is really illustrate the valuable resource this plateau is. I mean, it's really unprecedented, because we all know the Holland Marsh and we all know about Idaho potatoes or PEI potatoes. Meanwhile, we've got this real treasure that has maybe been a secret for too long. I think the more of us who are exposed to this valuable, God-given natural resource, the more partnerships there will be to protect it. I think we're all rushing around eating fast foods and so forth, and we don't stop to think we've got this incredible, rich, rich soil here, just, as you said, 90 miles from Toronto.

As I think the member from Trinity-Spadina said, I think there are a lot of city people who are very concerned about the food they get and where it's coming from. They want to shop locally, eat locally. They're sick and tired of eating Chinese garlic; they want local garlic, local potatoes. I think we also have to get people that message: You're not going to have those local products unless you protect this valuable farmland we have on our doorstep here. So thank you very much.

Mr. David Vander Zaag: And it's the best in the world, without exaggeration. It's right in our backyard.

Mr. Mike Colle: And you've been all over the world, so—

Mr. David Vander Zaag: Absolutely, and that's why I'm so passionate about it, because I don't think—the hardest part is that people just do not appreciate what we have right under our nose. That's a sincere concern.

Mr. Mike Colle: Well, you're a great salesperson for this very good resource. Just keep it up, and thank you for being here today.

Mr. David Vander Zaag: Thanks.

The Chair (Mr. David Oraziatti): Conservative caucus: Ms. Jones, go ahead.

Ms. Sylvia Jones: Thank you, David. My colleague to the left of me said that in his 22 years of legislative life, he has never heard a more concise and well-presented presentation. So I appreciate it. I have nothing to add. Well done.

As a point of information for the committee, David and his farm were the host for the Foodstock that happened in the fall. Thank you.

Mr. Mike Colle: We should have a Lunchstock.

The Chair (Mr. David Oraziatti): That's great. Thanks again; I echo the sentiments of the committee. We appreciate the presentation. That's time for today.

SAVE THE OAK RIDGES MORAINE COALITION

The Chair (Mr. David Oraziatti): The next presentation: Save the Oak Ridges Moraine, Debbie Gordon. Good afternoon.

Ms. Debbie Gordon: Good afternoon.

The Chair (Mr. David Oraziatti): Welcome to the Standing Committee on General Government. As you're aware, you've got 10 minutes for your presentation. Simply state your name and you can start. I'm not sure if you have anything to hand out to the committee or a copy of your presentation?

Ms. Debbie Gordon: I did bring a copy, thank you.

The Chair (Mr. David Oraziatti): Okay, the clerk will take that from you. Thank you.

Ms. Debbie Gordon: Good evening to the committee members. Thank you for this opportunity to speak to this forum about ways to improve the Aggregate Resources Act.

Since 1989, Save the Oak Ridges Moraine Coalition has been working at the local and regional levels to ensure that municipalities make good planning decisions that respect the environmental significance of the moraine and that take into account its ecological and hydrological functions.

STORM's years of experience in policy and planning on the Oak Ridges moraine and its well-developed network of local and regional contacts were critical to the campaign that saved, through legislation, the Oak Ridges moraine. In 2001, the Ontario Legislature unanimously enacted the Oak Ridges Moraine Conservation Act, and in 2002 the province passed the plan.

Here we are 10 years later with a threat to the moraine that we could never have predicted. Unfortunately, the province delayed the 2012 review of the plan until 2015 and will review the Niagara Escarpment plan and the greenbelt plan at the same time. We are working with all of our stakeholders to prepare for that.

Close to where we are standing today, the Oak Ridges moraine abuts the Niagara Escarpment, then runs eastward 160 kilometres to the Trent River system north of Port Hope and Colborne. Some 20,000 years ago, a massive glacier covered all of southern Ontario. It is estimated to have been up to two kilometres thick, equivalent to the height of four CN towers. As the ice started to melt and retreat over southern Ontario, a crack was formed in the ice sheet that created distinct ice lobes. The crack formed a crevice that became a massive glacial lake. Unimaginable amounts of sands, gravels and silts were deposited into these glacial lakes which, when the ice and water retreated, left behind the distinctive rolling hills of the Oak Ridges moraine—a massive filtering system that absorbs precipitation and replenishes the aquifers.

Most of the 32 municipalities at one time or another have had sand and gravel pits. Uxbridge and Caledon certainly have had more than their fair share of these. The moraine is literally pockmarked with these historic pits.

The moraine is often referred to as the “rain barrel of southern Ontario.” Sixty five rivers and streams flow from the aquifers beneath her—rivers that I might add sustain life for 1,003 plant species, over 118 breeding birds, 26 reptiles and amphibians, 38 mammals and 55 fish species. Some call it the last refuge of habitat in southern Ontario. This dwindling habitat for vulnerable species can be attributed to the environmental impacts of urbanization and poor planning.

I live on the Maskinonge River, the most degraded river that flows from the Oak Ridges moraine. We have had large fish die off last year and again this spring. I've seen what happens when you do not respect water and when you do not have a healthy watershed.

For the past three and a half years, STORM has been working with representatives of the aggregate industry and other environmental organizations as members of the Aggregate Forum of Ontario, the AFO. It was formed to develop a voluntary program for environmental certification of aggregates to raise the environmental bar substantially above that currently prescribed in the legislation. However, voluntary certification should not be a substitute for sound legislation and effective regulations. The AFO has acknowledged the limitations of voluntary certification for such issues as siting of operations and duration of licences.

Ontario Nature is working collaboratively with the aggregate industry, municipalities and other stakeholders, including STORM, to discuss and promote community-based approaches to planning and to aggregate development, as well as higher environmental standards for industry operators.

People feel very protective of their water. In fact, Ontario residents believe that Ontario's water belongs to us all. It makes no sense that access to clean, potable water has not been afforded the same degree of priority as the need to access aggregate resources. Therefore, we expect the protection of our shared waters for future gen-

erations to be your guiding principle as you review the Aggregate Resources Act.

There is much to be said about the Aggregate Resources Act, and there are many valid recommendations that have been raised by Ontario Nature which we agree with and support. At this point, we're going to leave it there: that we support everything that they say.

Tonight, I'm going to focus on what we at STORM feel is the most urgent concern right now facing the protected landscape of the Oak Ridges moraine: the dumping of soil from questionable sources into old pits on the Oak Ridges moraine and other parts of rural Ontario.

It came to our attention close to two years ago that fill was being trucked out of Toronto and other areas and being dumped into inactive gravel pits. In some cases, the licences have been surrendered, the pits rehabilitated and new fill is covering the entire site and removing all the contours. We are working with citizen groups in six communities right now dealing with fill issues.

Despite regulations controlling the aggregate industry, the filling of pits is being left to the industry to self-regulate. On at least three occasions we know of, contaminants have been confirmed. Thousands of trucks a day are coming north out of Toronto, creating dust and noise, which have been confirmed to be dumping illegally in many municipalities. The municipalities are struggling to create commercial fill bylaws and to regulate these operations. In many cases, they are not able to control the impact to their communities.

We very recently met with Ministry of the Environment policy staff who are developing Soil Management—A Guide for Best Management Practices, which are not regulations or legislation but only guidelines. The document is not near completion, so another summer will pass with a bevy of trucks rumbling up the 400 Highways and the 404. As we speak here now, hundreds of trucks are heading out into rural Ontario to dump dirt that may or may not be contaminated.

If a dairy farmer gets hydrocarbons in his well water, they could lose their milk quota. There are very few municipal water pipes across rural Ontario, so who's going to pay for the infrastructure to farms and where are you going to get the water? York region has depleted their aquifers so much that Newmarket has to get its water supply from Lake Ontario.

It is the responsibility of different provincial ministries to work with municipalities and the private sector to stop this from happening. STORM would like to see the Ministry of Natural Resources, via the Aggregate Resources Act, regulate what happens to pits after their licence has been surrendered and to take a broader perspective on what aggregate mining entails.

Just because there's a hole in the ground does not necessarily mean it should be filled. In many places on the Oak Ridges moraine, ground water is very near the surface. The risk of contamination is very high and, with over 250,000 people depending on it for drinking water,

the repercussions would be great if the aquifers are compromised.

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Taking out the pristine gravel and sand is only part of the process. Of great concern is what goes back in. Is it clay-based? It could affect the ability of the moraine to function hydrologically. There is a total disconnect between the degree of scrutiny in the mining phase and the total lack of regulation governing the after-mining phase. Mount Albert is a classic example, whereby half the site is active mining proceeding under the rigours of a regulated licence and site plan, while the other half is being filled up with truckloads of fill that could be coming from anywhere and which could be contaminated.

Our recommendation is that the province develop clean fill standards at the provincial level as part of the Ontario government's review of the act. Establish clear and effective communication between all the relevant ministries and municipalities.

On another front, STORM has worked with a resort owner over on Rice Lake who has a proposed gravel pit expansion next to his business. The very tranquility that people pay to enjoy will be shattered. Preservation of community and cultural values needs to have some bearing on the siting and approval of gravel pit applications.

My ancestors settled in the 1890s in Melancthon. My grandfather Stephen Aldcorn was born in 1907 in a log cabin there. That area has had a history of strong community and farming culture for over 120 years, and yet in a very short time it may all be lost. Its identity will be gone. There needs to be value placed on communities for those who live there, not just those who will profit from what lays below the earth.

When all the gravel and all the sand is gone and the water is tainted, what do the people who live in Ontario have left? An empty shell? Ontario needs clean water to drink and to grow our food. As our MPPs, I want you to review the Aggregate Resources Act and to think of the MPPs who have come before you and what they fought to achieve. I know these are tough economic times, but we have survived them before without allowing business interests to come into our homes, to scrape back the earth our forebears worked long and hard to clear to farm and to feed Ontario. Thank you.

The Acting Chair (Mr. Kevin Daniel Flynn): Thank you, Debbie. The first question goes to Mike.

Mr. Mike Colle: Thank you, Debbie. The fill that's coming and being dumped in the open pits, is it coming from, basically, all this condo-mania stuff that's going down in Toronto?

Ms. Debbie Gordon: Yes, the brownfield restoration.

Mr. Mike Colle: And the condo digging—

Ms. Debbie Gordon: Yes.

Mr. Mike Colle: You just made me think—I don't know whether we have the power under this act to deal with that. We may be able to do some things, but I'm just thinking whether or not we need to have the MOE or the municipality of Toronto enact some bylaws that prohibit

the extraction of fill and the removal of fill from the city boundary and taking it across to other municipalities for dumping. Maybe they should be passing a bylaw that restricts that from happening.

As you know, one good thing that's happening is that there's a proposal right now for the excavation that's going to go on for the subway on Eglinton—there's a proposal to use that to mitigate some flooding issues and some other water quality issues in the Humber Bay area. So I think we're going to have to maybe go beyond this committee and also see if we can get the city of Toronto to become aware of the fact that they're basically contaminating their water supply. As you well know, all the water that comes down the Humber, comes down the Don and comes down the Ganaraska is what we drink in Toronto, so we can't have the dirty fill from the condo holes going up into the open pits. So thanks for bringing that up. I think it really is critical that we become more aware of these trucks that are going up and filling in all these aquifers and the drainage system of the moraine.

Again, thank you for bringing that up. As I say, whether we can do it within here, we'll look at it, I'm sure, because it is critical that we try and make this act as powerful as possible. But on the other hand, we may have to go beyond this act to deal with this really scary thing. Thank you.

Ms. Debbie Gordon: Thank you.

The Acting Chair (Mr. Kevin Daniel Flynn): Thank you, Mike. Laurie?

Ms. Laurie Scott: Debbie, thank you very much for appearing here today and bringing up a very important issue. I certainly have part of the Oak Ridges moraine in my riding, as does Sylvia and Julia Munro and John O'Toole. You've done a good job with your associated groups in bringing this issue to the surface.

I'll add on to Mike, saying, also, that the Pan Am Games coming to Toronto is where we're getting a lot of the fill, just for those in the audience who may not know the issue too well. Mike's right: It's going to have to go beyond this committee. But I'm glad you're making it to these meetings and educating people and us, as politicians, more about it.

Municipalities are also kind of burdened. They're trying to figure out what bylaws to put together, and it's taking them a lot by surprise. It hasn't quite hit my riding too much, but it's right beside me in Durham.

There is kind of a maze of what we can do. The fill should all be inspected, to make sure it's clean fill. That process, I wonder—do you know enough about it just to explain a little bit of what is not happening? That we can't control if a person on private land takes fill?

Ms. Debbie Gordon: That's right.

Ms. Laurie Scott: Right. So I didn't know if you could broaden a little bit on what, if you could—

Ms. Debbie Gordon: What the problem is?

Ms. Laurie Scott: Yes, and what we can do to fix it.

Ms. Debbie Gordon: I think when we talked to MOE—there are very strict tables of soil that are for contaminated sites, but there are no parameters that have

been developed for fill going into a clean site. So you're almost, in effect, polluting up. The idea of remediating a contaminated site was always to improve that site, but the intent was never to take that dirt and put it on a clean site. This is where the problem is laying, that you're putting it into areas—because of the layers of sand and gravel now gone, to put any contaminants in you're running a really good risk of filtering that down in through to the aquifers.

What's happening is, trucks leave Toronto and they're dumping illegally. It's worth a lot of money—fuel costs a lot of money—so they get clear of the city and they're looking for places to dump. Most of the municipalities right around the city have developed bylaws now, so they're going further and further afield. I know where, in Kawartha Lakes, they've even gone as far as almost up to Peterborough from downtown Toronto to get rid of fill. So they're looking for the weakest link.

The reason we feel it should be part of the aggregate act is because we have a situation in Mount Albert where there was a gravel pit, it was rehabilitated, the licence was given back in—there's no licence on it—they've gone and applied to the municipality to fill it in, but all the science, all the testing, everything that would have been done with that application for the original pit, doesn't go to the new owner. So these are Toronto people that are coming up, buying up these old gravel pits that no longer have licences—they're surrendered—and they're turning them into fill sites.

We feel that it has to be a cradle-to-grave thing almost, that if you're going to dig it out, you have to be responsible. There's got to be an end point, that you just can't keep filling in there.

The Acting Chair (Mr. Kevin Daniel Flynn): Thank you, Debbie. Rosario?

Mr. Rosario Marchese: I just want to thank you as well, Debbie. I do believe that the province has to be the one that clears this up and creates clean fill standards. It does connect to the work we do. Clearly, there's no ministry that deals with this, and we're dealing with it. It's tangentially connected to pits, because a lot of that fill is going into pits. And because we don't know what kind of fill is going in there and because it could be potentially damaging, we need to deal with that. So I'm hoping that at the end of this process, we will have recommendations as well to make to government.

Ms. Debbie Gordon: Thank you very much for having me here today.

The Acting Chair (Mr. Kevin Daniel Flynn): Thank you, Debbie. Thank you very much for coming.

Mr. Mike Colle: And the city of Toronto has got to do its part.

Mr. Rosario Marchese: But we have to tell them. We have to tell them.

Ms. Debbie Gordon: I've got to tell you, the Toronto Star called me and asked me, "What do you think about water going into Lake Ontario and the Humber islands," and do you know what I said? "Not if it's not clean." We're not NIMBYs up here, we're NOPEs: not on planet earth. I would never put that dirty fill onto anybody else.

It's got to be resolved. I think Toronto should look for the solution because they're having the growth, but—

The Acting Chair (Mr. Kevin Daniel Flynn): Thank you, Debbie. Good point.

TOWN OF CALEDON

The Acting Chair (Mr. Kevin Daniel Flynn): Mayor Morrison, you're up next. I know I just saw you come in. The mayor of the town of Caledon is here with us. Have a seat. Make yourself comfortable. Do you need some water, Marolyn?

Interjections.

Ms. Marolyn Morrison: Pardon? Oh, you're not talking to me.

The Acting Chair (Mr. Kevin Daniel Flynn): These guys are having their own dialogue.

Your Worship, you get 10 minutes, like everybody else, and after that, we're going to leave five minutes for questions. The floor's all yours.

Ms. Marolyn Morrison: Thank you very much. Good evening, Mr. Chair and members of the Standing Committee on General Government. My name is Marolyn Morrison, and I'm the mayor of the town of Caledon. I represent a distinctly engaged community whose residents are active participants in the decision-making process, particularly those that affect the environment and overall quality of life. Caledon is a major producer of aggregates and is distinct among other aggregate-producing municipalities due to its proximity to the GTA market.

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I believe that the local community which is most affected by aggregate operation has a unique perspective to make positive contributions in reforming the Aggregate Resources Act. We want to work with you to develop long-term, practical approaches that will ultimately benefit all stakeholders.

The town of Caledon recognizes the benefits of a successful aggregate industry to our economy. However, for many communities like Caledon, this success carries significant cost to our quality of life, the environment and local economy. Perhaps the most immediate concern for Caledon is the impact of heavy vehicles on our infrastructure. The real cost of continuous, heavy traffic on local roads, bridges and culverts is many times more than the royalties the town receives. The aggregate industry pays 12.5 cents per tonne as a royalty; 7.5 cents of that is paid to the local municipality. This royalty is grossly insufficient to recover the costs of the infrastructure damage caused by the industry, costs that are ultimately borne by local taxpayers. Caledon wants to see the gap between the real cost to the local taxpayer and the royalties currently paid by the industry balanced. The town requests that this review of the Aggregate Resources Act address this enormous discrepancy.

Our environment is fragile and we must be making decisions today that are sustainable over the long term. Recycling in every facet of our personal and professional

lives has proven to be a sustainable, economically viable and socially responsible approach to conserving and protecting our scarce environment and environmental resources. It reflects a long-term view, yet the aggregate industry and the concerns of aggregates have been slow in adopting the principles of recycling and reaping the proven benefits it offers. We must take a page from our European friends and find a way to provide incentives that will encourage the use of recycled aggregates. I know that you probably know some of the things that are out there from the UK and other places, and I think it's worthwhile having a look at it. The levy has the effect of bringing the price of virgin aggregates in line with the real environmental costs of quarrying while encouraging the use of alternative materials such as recycled aggregates, which are not taxed.

In our opinion, the use of incentives to promote the use of recycled aggregates must be a primary consideration in the government's review of the ARA. In an era that has seen the introduction of landmark legislation to protect our environment, it is clearly time to bring the Aggregate Resources Act in line with the environmental leadership our province is demonstrating. Since these current laws demonstrate Ontario's commitment to environmental protection and building strong communities, the ARA should be revised to align it with other provincial directions to ensure that the laws are consistent.

For example, the ARA should be revised such that its policies are consistent with, rather than have regard to, the Oak Ridges moraine conservation plan. The ambiguity of using the "have regard" language in the ARA to other provincial policies and regulations such as the Oak Ridges moraine conservation plan has caused confusion amongst the public and allowed some aggregate producers to take advantage in license and site pit amendment applications. Provincial policies and regulation must be made clear and predictable.

Furthermore, the town requests that special attention be paid to promoting an appropriate balance between local—municipal—land use matters and provincial powers controlling aggregate extraction and supply.

Provincial legislation and policies promote aggregate extraction as an interim use and rehabilitation is carried out to return the land to its previous use or one that is compatible with adjacent land uses. As such, the progressive rehabilitation of depleted sites is a significant concern to residents of aggregate-producing communities and deserves particular attention in your review of the Aggregate Resources Act. The slack attention to effective rehabilitation by the industry has created blight and moonscape effects in the vicinity of Caledon village, which in many ways are diminishing the pristine rural landscape, the visual treasure of both residents and visitors to the town.

I am telling you I've attached a photo, but I forgot it at home, so my husband has run home to get it for me. Hopefully, you're still here when he gets back.

The State of the Aggregate Resource in Ontario Study produced in December 2009 commits more than 625

pages to the issue of the rehabilitation of quarries, yet many of our regulations have become barriers to proper and timely rehabilitation.

For example, the quarry near Cheltenham village in Caledon, owned by Brampton Brick, proposes to receive fill from northwest Brampton, only five kilometres away. Rather than leaving the landscape of the quarry as an open area to be filled with water over a lengthy period of time, Brampton Brick wants to fill it in and re-establish the rural and environmental setting with reforestation. The ARA review must be broadened to consider new and innovative rehabilitation plans. At the moment, they're not being allowed to do that.

Once again, the town recommends that exemptions should be provided to promote and facilitate progressive rehabilitation, including social licensing, where operators must earn the right to continue extraction through timely and progressive rehabilitation.

Finally, I would like to bring your attention to an issue that is of increasing concern to town of Caledon residents. Because transporting aggregates from the aggregate operations to the market represents more than 60% of the total aggregate cost, there is a significant financial incentive to revive or extend the life of existing pits close to the GTA. Extending pit boundaries or quarrying beneath the water table, for example, is a relatively cost-effective way of extracting more resources, a process that is generally accomplished through an amendment to the ARA site plan.

When a new aggregate licence application is considered by the province, there is a comprehensive public process. However, once that process is complete, the procedure for changing the terms of a pit's operation as stipulated in the site plan is much less stringent. More troubling is that changes to the site plan tend to bypass the public process. Since an amendment to an ARA site plan often proposes modifications to conditions that were important to the community in the initial application, it is essential to seek and consider community input during this process.

I strongly recommend that an amendment to an ARA site plan for significant changes to pit operations—for example, tonnage increases or increases in the depth of extraction—go through a full public process similar to the process for a new licence. Moreover, the process should be transparent and easy for members of the community to understand.

Most recently, a site plan amendment application for the Tottenham pit, which is in Caledon, has generated a lot of public concerns in Caledon. The site plan application was deemed "major" by MNR, but the ministry repeatedly declined requests from the town to have a public meeting to hear the concerns from area residents regarding potential impacts on groundwater, traffic and air quality. In response to a public outcry, my council decided to host two community meetings that should have really been conducted by MNR, which is the approval authority. MNR agreed to have a public meeting a few months later, when town staff pointed out that such a

public meeting is deemed necessary under its own policy in processing a major site plan amendment for proposed under-the-water-table extraction. The Tottenham pit case clearly reveals a deficiency in the ARA to engage the public in decision-making.

The aggregate industry is a vital and complex industry. You will agree that the challenges and opportunities that face us are well beyond what I can detail in 10 minutes.

Notwithstanding the enormity of the task, the town of Caledon congratulates the provincial government on its desire to bring about positive change through this review of the Aggregate Resources Act. I want to assure you that the town of Caledon is committed to working with you during this review process.

Thank you for this opportunity to appear before the standing committee.

The Chair (Mr. David Oraziotti): Madam Mayor, thank you for your thoughtful comments. We've got a few minutes for questions. Ms. Jones, go ahead.

Ms. Sylvia Jones: Welcome, Mayor Morrison. I hope I'm not going to put you on the spot. One of the things that make Caledon somewhat unique in Ontario is the fact that you've mapped the aggregate resources within your municipality. It's actually part of your zoning.

This is the part where I'm putting you on the spot. If Melancthon was in the town of Caledon—because I know you were involved in that mapping process. Because of the amount of overburden that is on that resource, in your opinion, would that have been included in your map?

Ms. Marolyn Morrison: What we did when we did our official plan—and we did the Caledon community resource study, which plotted all of the aggregates. We sat with the Ministry of Natural Resources, the Ministry of the Environment, the region of Peel, the town of Caledon—we had all the players at the table—the aggregate industry and residents. When we mapped where aggregates should be mined in the short term and the long term—so the resource and the reserve areas—all of that was looked at.

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I have to tell you that in the initial map that came out that MNR provided for us, a lot of those areas were taken off for various reasons—some because they were too long and narrow and it wasn't enough all in one place, some because the overburden was just way too deep and it just did not make sense to do it. But in Caledon, that still left thousands of acres of opportunity for the aggregate industry. I can imagine that, possibly, if it would have removed all of the aggregate resource, we might not have been able to do that. But it comes down to economy. If the aggregate industry feels that they can take all that overburden away and still make money, then they probably will be in, trying to do that.

Ms. Sylvia Jones: Right. My question is, based on the process that Caledon went through, would you have anticipated that that type of site would be in your zoning—

Ms. Marolyn Morrison: I would think if it was really deep with overburden, it probably would have been removed.

Ms. Sylvia Jones: Thank you.

The Chair (Mr. David Oraziotti): NDP caucus: Mr. Marchese.

Mr. Rosario Marchese: Thank you, Mayor Morrison, for the presentation.

You talked about a number of things. One of the things that interests me is recycling. You and many others have talked about that, and I really do believe that we here in Ontario, in all political parties—and the government in particular—have to make a strong commitment to recycling. I think we can do it. There's no reason why we can't.

One of the problems is that many municipalities are not recycling or have no interest or have no expertise or don't care—there's a variety of different reasons. What's your experience around the whole issue of recycling?

Ms. Marolyn Morrison: I can tell you that the town of Caledon recycles, depending on the project, a minimum of 25% recycled material, up to 40% recycled material. We're committed to that. Because we have the aggregate pits, we want to make sure that we use the least amount of virgin material that we can.

Mr. Rosario Marchese: And how long have you been doing that for?

Ms. Marolyn Morrison: Oh, I would say at least five years—at least.

Mr. Rosario Marchese: That's good.

Ms. Marolyn Morrison: I mean, we started doing that a while ago. We were designated the greenest town in Ontario, so we try really hard to live up to that.

Mr. Rosario Marchese: And have other municipalities called you to say, "How are you doing that"? Has anybody called you?

Ms. Marolyn Morrison: They're not calling, but what we are doing is, I sit on the board of directors of AMO, the Association of Municipalities of Ontario. I'm the chair of the Top Aggregate Producing Municipalities of Ontario and the chair of the Greater Toronto Countryside Mayors Alliance, so I can tell you that we have taken that issue to both of them. I have taken it to AMO and spoken about that at AMO. I have told them that my desire is that we eventually, once SERA and the Ontario aggregate forum get their act together, working together to bring an ISO type of thing that municipalities could get involved in with the aggregate producers—that then I would go out and I would challenge every municipality in Ontario to have recycled in their material, because they need to.

But what we have to prove—and the region of Peel has done a lot of work on recycled material and trying to prove what the lifespan is, and will it last as long? Because if it's not going to last as long as your regular roadbed, we'll say, then maybe it's foolhardy, because there's only one taxpayer. But in some of the work that we've done on recycled material, we have proven that it

will stand up as well as anything else. There are a few other things that don't, but a lot of it does.

Mr. Rosario Marchese: Thank you.

The Chair (Mr. David Orazietti): Thank you. Liberal caucus, any questions?

Mr. Mike Colle: Thank you, Madam Mayor. I think that you've highlighted again the need to put in a whole new regime in terms of how we rehabilitate pits. It seems to be obviously lacking in oversight, to say the least.

Just on the recycling, the town of Shelburne is considering putting in a bylaw that will require all demolished concrete and aggregate within the municipality to be recycled. Are you willing to support that and pass a similar bylaw?

Ms. Marolyn Morrison: I think that's an excellent idea.

Mr. Mike Colle: And bring it to AMO?

Ms. Marolyn Morrison: We'd be more than happy to.

In fact, we have James Dick Construction Ltd. that brings material from where they're doing construction and piles it just north of Bolton, and then they recycle it. The problem is finding that market. We couldn't use enough for all the stuff they bring. We would not have enough of a market for that, but if we could get other municipalities around us and everyone in the area to do it, I think it would be excellent.

If you look at the airport, the 401, there's over a million tonnes of material sitting there that should be ground up and recycled. It could even be used in parking lots, for heaven's sake, where you're not getting the wear and tear that you get on your highways. We really need to be looking at that.

Mr. Mike Colle: Maybe have some mandatory levels of recycling.

Ms. Marolyn Morrison: Do you want to know what would really help? The best practices throughout the country—and Europe is doing a lot of this. If the provincial government could pull together all the best practices then share them with AMO, and work through the Association of Municipalities of Ontario with the best practices, then I think the municipalities would be more amenable to trying to do that.

Mr. Mike Colle: MTO is already doing a great deal of it.

Ms. Marolyn Morrison: My sources tell me they aren't, but I'm not—

Mr. Mike Colle: They're doing 20%.

Ms. Marolyn Morrison: Okay.

Mr. Mike Colle: The municipalities are doing 5%.

Ms. Marolyn Morrison: Most municipalities, okay.

Mr. Mike Colle: Basically, it's a dirty secret. You're not supposed to talk about using recycled materials in municipalities.

Ms. Marolyn Morrison: We have to get away from that.

Mr. Mike Colle: Yes.

The Chair (Mr. David Orazietti): Now that's on the public record. That's good. We're talking about it.

Thanks very much for your presentation and your time today. That's time for your presentation.

MR. GREG SWEETNAM

The Chair (Mr. David Orazietti): The next and final presenter is Greg Sweetnam. You've got handouts for the committee? The clerk will take those from you. I guess good evening, now. Welcome to the Standing Committee on General Government. You've got 10 minutes for your presentation and five for questions. Simply state your name and you can start.

Mr. Greg Sweetnam: Great. Thank you, Mr. Chairman. My name is Greg Sweetnam. I work for James Dick Construction Ltd. We're a family-owned company. Our headquarters is in Bolton, Ontario. Our operations are centred around Caledon, although we do go across the whole GTA. We're a family-owned business and we're the third-largest non-government employer in the town of Caledon.

We love Ontario. We're proud of what we do. We think what we do is far greener and more wholesome than many people think, and we also think it's about the coolest thing you can do.

My three asks: I'm going to put those right up front, here. Number one, we need a defined timeline and process around site plan amendments, because today, there's none. I would even support user fees if we could get timely decisions. I would encourage you to put as much transparency into that process as you like, but most amendments are technical in nature and decisions are best made at the district level.

That leads to my second point, which is that we should be repatriating the approval authority to the MNR district managers from the regional managers. Right now, all of the minor items—moving a fence six feet—get sent to Peterborough. They're too far away and out of the loop, and it slows everything down. The people in the field are qualified; they understand the issues. They should be empowered to make timely decisions.

Finally, the MAAP program, which currently receives half a cent a tonne: I would encourage you to increase that to three cents a tonne. I sit as a board member on TOARC, and I'm not speaking here in that capacity, but I was instrumental in passing a motion that said that if we made that change, we could take the abandoned pits, the pre-1971 pits, and get those completely rehabilitated within our generation. Those are the pits from my father's and my grandfather's generations. I think that's a responsible thing to do. I think the industry would support that.

I completely support and concur with the presentation done by the OSSGA. I've been following the Hansard transcripts of these proceedings with great interest and with some concern. I say "concern" because there are some statements which I've read which are just fundamentally wrong and perpetuate myths that are not in the public interest. My role here is as a bit of a reality check to focus on a few simple but vital premises.

I believe that you do not have to reinvent the wheel, that the issues you are dealing with have been dealt with before over and over in the past. The package I sent around was just a scattering of reports that I've got sitting on my shelves; there are many more. But they demonstrate that these issues have been thought about by past governments and past policy-makers. While the current corporate memory of government on issues such as close to market or the consideration of need may sound like novel new concepts, we as an industry have studied them over, debated them, tested them. They have been regulated over and over in the past.

Let's start with the simple premise of close to market. The only thing worse than being inefficient is being inefficient over and over and over. Imagine if someone moved the cafeteria at Queen's Park to Trenton. Every day you'd say, "Well, it's time for lunch. Time to drive to Trenton and back." After a week of lunches, you'd say, "Who made this decision to put this here?" There's really no logical reason why we're supplying our concrete plants in Caledon with stone hauled in from Muskoka.

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Close to market means that one truck can do the work of five, prices are lower, less fuel is burned, less greenhouse gases, less wear and tear, fewer accidents, lower insurance premiums etc. It's the gift that keeps on giving and builds in an intrinsic efficiency into our society. Everybody benefits and it's in the public interest to do so.

Some will have you think that close to market means more conflict, and this is a premise which is not played out by the facts. The most controversial quarry in my memory is the Superior Aggregates quarry on the north shore of Lake Superior. There were some 5,700 postings on the EBR, and there were many concerns raised about it. We've all heard about the mega-quarry, which has about 3,700 postings, and I consider that to be way up north.

Now, have you ever heard of the Lafarge Lawford pit? Have you ever heard of the Caledon Sand and Gravel extension? Well, Ms. Jones and Mayor Morrison might remember those ones, but most of you won't know those because they're close-to-market pits that were licensed without controversy, and on consent, without an OMB hearing.

Close to market does not automatically lead to conflict. The Strada Aggregates site was approved recently in Melancthon township without controversy. The controversial quarries are almost always the ones that have not yet been approved. When people see, feel and touch the real operations, we get very few complaints.

Aggregate should not be judged based on conflict in itself, anyway. If 1,000 people said that the moon was made of cheese, it doesn't mean that it is. Today, through social media, groups and opponents can quickly raise awareness, and the policy that you folks are dealing with must be strong enough to allow for the opportunity for the science to be sifted from the witch-burning. Just because there's an outcry doesn't mean there should not be

a fair process afforded to everyone. A wealthy neighbourhood should not be viewed as different than a poor neighbourhood. We need to make wise decisions and these must be fact-based.

As it happens, the best stone is also located close to market. The best stone, the Amabel, is right under our noses here in Caledon. The Carden Plain—where, I might add, we operate two quarries—which is north and east of Lake Simcoe, can't compare to the quality of the Amabel, which is much closer to the GTA.

Have you ever heard of alkali reactivity? This is a very important point because it's a chemical reaction that causes concrete to self-destruct. Think of chunks of the Gardiner Expressway falling off and bridges basically crumbling. The vast majority of rock from Carden can't meet concrete quality specifications.

Your engineers understand these problems today and strictly specify that only the highest-quality stone be used. The cool thing is that the good rock is close to market. It's a win-win. Remember, 60% of the delivery cost of aggregate today is in transportation. Do not buy into the method that it's better to locate further from market and mine large pits and quarries. It will always be efficient to be closer, period.

There's lots of resources close to market remaining in Ontario, and these are not small deposits. The Rockford quarry of ours was recently turned down, but it was turned down in part because the hearing officer felt it would operate for too long and produce too much material per year.

Think about the ridiculous corollary of close to market—to encourage things to be as far from market. It's just wrong, and I think everybody here knows it.

As you stated before, you don't need to reinvent the wheel. The close-to-market principle has been studied to death, and scientists and planners have always concluded that it's the most sound principle: Dillon in 1980; Proctor and Redfern, 1982; the state of the resource study in 1992; SAROS in 2009—all studies done at considerable expense that consistently conclude that close to market should be upheld.

The second important point is, please do not help perpetuate the myth that we're creating a permanent scar on the landscape. The aggregate industry is an interim use. The famous example is the Royal Botanical Gardens. The Don Brick Works, the Elora Quarry and even locally in Caledon, the Osprey Valley golf course and the Ken Whillans conservation area that you visited are examples. In fact, the Forks of the Credit is visually the most stunning part of Caledon, the same area that was the site of over a dozen quarries in the late 1800s. The beautiful red sandstone at Queen's Park was quarried from there. It was, in essence, the hub of the quarrying industry in Canada back in those days. Today, it is definitely the jewel in the crown of Caledon.

You can actually see with your own eyes lots of rehabilitated sites, but there's also lots of rehabilitation that you're not going to see. If you came up here up the 410, you actually drove through several kilometres of old

pits in Brampton, and you would certainly never see them unless you knew they were there. In my lifetime, Brampton was a major producer, producing the material for the Toronto subway, amongst other things, but today, it produces none. And many of her gravel pits have evolved into the Brampton Esker parks system, which was recently given the bronze plaque award by our association for rehabilitation. That's ironclad proof of the interim nature of pits and quarries.

After visiting some sites, you'll understand that these pits are full of life. Department of fisheries and oceans studies have demonstrated that pits and quarry lakes support a greater diversity of life than natural systems of similar size. You've got the reference in your package there. You've seen this with your own eyes at Ken Whillans. The ospreys nesting in our Caledon pit, just down Highway 10 here, don't care that they're in a gravel pit so long as the fish supply is plentiful. The ospreys did not nest in the agricultural fields that existed before the pit and neither did the eight-pound walleye. Different, yes, but highly valuable and definitely interim.

Rehabilitation back to agriculture is done routinely in the industry, and again, the province has publications documenting this over many years. Many studies have been done on rehab in general agriculture, back to tender fruit, back to forestry etc. Today you saw a great example of that at the McClellan pit, that you would really never know was a pit unless you knew the history of it.

Current policies directed at new sites in Ontario have to stay away from woodlands and wetlands, and in many parts of Ontario the only sites left are the cultivated agricultural fields. The current system is working and a ban on any form of development on class 1 to 4 farmland would grind the province to a halt. Aggregate is not a significant threat to farmland and this is probably the first time in history I've actually been sitting across the table from my friends in the agricultural industry, because normally we see eye to eye.

The Chair (Mr. David Oraziotti): Mr. Sweetnam, sorry to interrupt. You need to wrap up. It's about 10 minutes. We'll get to questions, but I'll give you a minute to wrap up.

Mr. Greg Sweetnam: Certainly. Thank you. When travelling back to the city, when you get south of Caledon village, look to the east and you'll see our beautiful Caledon sand and gravel pit. You may also see members of the Canadian Olympic team training for the London games there, and we're absolutely, completely proud of that site and would be welcome to host you at any time.

Very quickly, on board decisions: You may know we're suffering from windshield-wiper decision-making that lacks consistency and predictability. The recent Duntroon decision had a 100-page dissenting opinion, and an officer who heard the same evidence from the same witnesses, judging by the same policies, and would have turned down the quarry on every issue. So how can that be? Today's accompanying success doesn't depend on your case, but on who happens to be hearing your evidence. We need consistency, complete insulation of the

board members from the political influence, and a strong, tough, but fair policy regime by which our applications can be judged.

Thank you, Mr. Chairman.

The Chair (Mr. David Oraziotti): Thank you very much for your presentation. The NDP caucus is up first. Ms. Campbell, go ahead.

Ms. Sarah Campbell: Sure. Thank you for your presentation. Throughout your presentation you placed heavy emphasis on the interim use of the land, and what we've heard from a number of people is that rehabilitation in many cases isn't happening across the province for a variety of reasons. I'm just wondering if you would support sunset clauses in licences, given that this is already happening. That seems to be an argument that we're hearing from people.

Mr. Greg Sweetnam: Thank you for your question. Sunset clauses are a double-edged sword in that, is it in the public interest to have a licensed property which has gone through a process, has perfectly good, high-quality reserves, and yet just shut it down because a clock is up? We think it's in the best public interest to basically use that reserve up. It gets very tricky when you have large deposits, where you have a deposit that might last for 20 or 30 years, because it's very market-dependent, so it's difficult to do. On a smaller site, it's possible to do. We have done it in very limited senses on limited phases of pits in order to keep our neighbours happy, but I wouldn't support it as a carte blanche across the province.

Ms. Sarah Campbell: How about a modification—

The Chair (Mr. David Oraziotti): Very briefly.

Ms. Sarah Campbell: Just furthering that, what about a sunset clause that would build in some kind of earned continuation or renewal?

Mr. Greg Sweetnam: Well, the current Aggregate Resources Act, basically one of the criteria in considering a new licence—also, there's a clause in there that says that your past performance is taken into account, so I think there's teeth in that particular clause as the act is written now.

Ms. Sarah Campbell: Thank you.

The Chair (Mr. David Oraziotti): Thanks. Liberal caucus, questions?

Mr. Mike Colle: Thank you, Greg, for the thorough presentation. I think the value of this committee and hearing from everybody is that we get different perspectives. I think that it is really valuable for us to get everybody's perspective, and I know you're on the ground with your work.

I guess the one thing that seems to be dominant today was the way abandoned pits and quarries are dealt with and that there seems to be no sort of comprehensive responsibility process about what happens to them—can they use them as landfills. I think that's giving the whole industry a bad rap. Can you make some suggestions of how we as a committee could recommend certain ways of ensuring that there is proper rehabilitation and that the site plan approval process is transparent and accountable?

Because this seems to be—I mean, that was the main theme I sort of got here today, that there are a lot of people who are, you might say, playing around with the rules and not coming through, in a way, with integrity.

Mr. Greg Sweetnam: Thank you for your question, sir. When I heard the presentations that I did hear towards the end of the day—a licensed site is regulated by MNR under an Aggregate Resources Act site plan. If you're not allowed to landfill underneath that site plan, you cannot landfill and you'll have your licence revoked.

The examples that I heard were sites that were properly rehabilitated. I know a number of these were beautifully done—contoured; they look lovely. They were sold to third parties and that third party came in and dumped fill in them, which kind of sullied the industry.

I don't think you'll find very many responsible aggregate producers doing landfill because we just can't put our licence in jeopardy, and that clause I mentioned earlier about past performance—you don't want to screw up on one site because it's going to limit your ability to get a licence on the next.

Mayor Morrison talked about the Brampton Brick's site, for example. Well, Brampton Brick's old site is located right at the corner of Highway 10 and Bovaird Drive in Brampton. It was successfully filled; there's a Walmart and a housing development there. The only sign that that quarry was ever there is a sign that says "Brick-yard Way" at one of the residential streets.

So there is a role, I think, somewhere for marrying up the trucking from fill sites with aggregate sites. But I think it's outside the Aggregate Resources Act. I think it's something that happens outside that. We don't do it on any of our sites.

The Chair (Mr. David Oraziotti): Thank you. Conservative caucus. Ms. Scott?

Ms. Laurie Scott: Thank you very much, Greg, for appearing here before us today. I'm sure the mayor of the city of Kawartha Lakes is going to be really happy that you've put it up to three cents a tonne for his roads. He's done this study that was mentioned several times here.

Lots of topics that you hit on; I'm going to just ask one quick question about the timelines for minor amendments. Could you give us an example on that, like more of a fence—six feet something—

Mr. Greg Sweetnam: Sure. Typically, my site plan amendments, which can be things like—for example, there's one place I want to preserve a wetland, so I want

to actually change the licence boundary to go around the wetland. I don't want to mine it. In exchange, I've got another site, and it's in a setback that I want to take. So it's kind of a wetland swap. It's in the best interest of the environment; we've done the studies on that. But it's been in the mill now for about four years. I have some other harmonization site plan amendments which have taken 16 years. There's no process, no pressure point that I can put on the MNR and say, "You must give me this amendment now." It's whenever they decide to do it.

I would love to have some legislation that would say, "No, no, after this many months, then there's an opportunity to appeal it to somebody, to get somebody else to make a decision." And I don't mind paying for it if it can free up the resources at MNR to get those things processed.

I have no problem with public meetings or transparency. We're not ashamed of what we do and we're happy to have the transparency too.

Ms. Sylvia Jones: Thank you. That's good.

The Chair (Mr. David Oraziotti): Thank you very much. As you're the last presentation, that concludes public hearings for today on the Aggregate Resources Act review.

I thank everyone for coming here. It's a pleasure for the committee to be here today. Thanks for all of your valuable input.

Just one housekeeping item before the committee departs: Mr. Colle has a motion with regard to travel, I believe.

Mr. Mike Colle: Yes. I just move that each caucus be allowed to have one staff person join and expenses be paid for support as we go to various other jurisdictions.

The Chair (Mr. David Oraziotti): It's a discussion we had briefly at the subcommittee, but I think we're all in agreement on that.

Mr. Mike Colle: Is that all right?

The Chair (Mr. David Oraziotti): Absolutely. All in favour? Opposed? Okay, that's carried. Thank you very much. We'll make that a matter on the record.

Mr. Mike Colle: Off to Melancthon, is it? Is that where we're going right now?

Ms. Sylvia Jones: Melancthon.

The Chair (Mr. David Oraziotti): Thank you very much, folks. That concludes hearings today.

The committee adjourned at 1834.

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Standing Committee on General Government

Aggregate Resources Act review

Comité permanent des affaires gouvernementales

Examen de la Loi sur
les ressources en agrégats



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STANDING COMMITTEE ON
GENERAL GOVERNMENTCOMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES

Monday 9 July 2012

Lundi 9 juillet 2012

The committee met at 1333 in the Holiday Inn Kitchener-Waterloo Hotel and Conference Centre, Kitchener.

ELECTION OF ACTING CHAIR

The Clerk Pro Tem (Ms. Tamara Pomanski): Good afternoon, honourable members. It is my duty to call upon you to elect an Acting Chair. Are there any nominations? Mr. Colle.

Mr. Mike Colle: I'd like to nominate Michael Coteau.

The Clerk Pro Tem (Ms. Tamara Pomanski): Are there any further nominations? There being no further nominations, I declare the nominations closed and Mr. Coteau elected Acting Chair of the committee.

AGGREGATE RESOURCES ACT REVIEW

TRI CITY MATERIALS

The Acting Chair (Mr. Michael Coteau): The first presentation we have is Tri City Materials. Come up, sir. How are you today?

Mr. Rick Esbaugh: Very good. You?

The Acting Chair (Mr. Michael Coteau): Good, thank you. We will, if it's the will of the committee, have a 10-minute presentation and five minutes of questions. We'll start with the PC caucus, and we'll share the five minutes among the three parties. Is that fine? Okay. If you can present your name, sir, for the record, and begin. Welcome.

Mr. Rick Esbaugh: Thank you. I'm Rick Esbaugh. I am the president of Tri City Materials. Tri City Materials is a local quality aggregate producer.

My family business was started by my father, Harold Esbaugh. My father started as a local carpenter, eventually pouring foundations and producing his own concrete before the days of ready-mix trucks.

Over the years, our company evolved by starting a ready-mix concrete company called Tri City Ready Mix. My brother joined the company in 1995, and we expanded the business and started Tri City Materials in 2005, supplying quality aggregates to our concrete plants in Heidelberg and Kitchener.

The companies have grown over the past 25 years and employ approximately 70 people. We now supply a di-

versity of gravel and recycled products to Waterloo region.

I would like to touch on a few things today, such as non-local supply of aggregates, recycled aggregate and the zoning challenges in regard to recycling. These issues have been raised through the committee's hearings over the past few weeks, several of which are connected in a daily way to local aggregate producers.

There has been much discussion over the past two years since the Ministry of Natural Resources released its SAROS report that the industry should ship materials by rail and water instead of truck and rely on non-local supply. Many of you may not be aware, but Brant county shipped sand into Toronto almost exclusively by rail until the 1940s, when truck transportation became more popular and economical. At that point in Ontario's history, Ontario had many more rail corridors and carriers than it does today. Today, less than 5% of Ontario's aggregate production is moved by water and even less by rail. Going back to a wider rail network with many branches and many carriers will be extremely difficult given the residential sprawl that we have created in southern Ontario and the removal of many rail lines which were sold to private owners. The creation of mega depots to support non-local aggregate supply will increase dump truck transportation to and from job sites as tractor trailers cannot always access the confines of a construction site.

If the province wants to shift to rely on non-local sources of aggregate, then there must be a comprehensive provincial infrastructure strategy with several ministries working together to provide for a new rail system and deep-water ports. Currently in the province, we do not have a rail and water transportation system to support a significant change in the way we move aggregates. Here in the Waterloo region, the ability to ship from our current licensed sites by rail is non-existent. I am not suggesting that this may not be the way of the future; just that the infrastructure needed to do it is expensive and must be developed by the province.

Importing non-local aggregates to feed the local demand will increase the cost of final products to the end consumer. We all know we're in tough economic times, and an increased aggregate price will affect road construction, ready-mix operations, asphalt pricing and public infrastructure in building and maintaining our schools and hospitals, just to name a few. This not only applies to

our local contractors, but it also trickles down to the public as a whole, increasing housing costs and taxes to support our roads and highways. The 100-mile diet applies to gravel, too.

It has been discussed that the Waterloo region and Wellington county have increased their production dramatically in the last decade and that pits and quarries are producing more in this area. A quick review of the production statistics available in the province shows that, in fact, both Waterloo region and Wellington county have decreased their production since 2001. Waterloo has seen a reduction from 8.2 million tonnes in 2001 to 7.5 million in 2010; that's a reduction of 9%. Similarly, Wellington county produced 8.9 million tonnes in 2001, down to 6.8 million tonnes in 2010, a 24% reduction. Local production is not becoming the new source for the GTA, as some people would have you believe.

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Recycled aggregates is another topic I'd like to discuss. I support the industry's new initiative, Aggregate Recycling Ontario, in their efforts to engage all municipalities and partners in producing more recycled aggregate. Our company produces recycled aggregate products at our Petersburg, New Hamburg and Kitchener sites.

There are significant challenges to making this work. Many municipalities do not allow recycled products in their construction projects. It is not uncommon to see municipal tenders specify that recycled aggregates are excluded from tenders. We cannot, as an industry, produce more recycled products if we cannot sell them to the marketplace. In the past five years, the region of Waterloo has been a leader in the effort to use recycled aggregates, while many are not.

The challenge that the industry faces in regard to recycling is that many municipalities will not allow producers to recycle aggregates as part of their existing operations. Being able to produce recycled products onsite allows us to use some of the finer raw materials to make granular base products by adding recycled concrete and asphalt.

Recycling goes hand in hand with the rest of a gravel pit operation, following all the compliance regulations of the ARA. There is no need to overlap government offices. This is environmentally sustainable, but is still not allowed. Just this past week, Woolwich township council voted against allowing another aggregate producer to produce recycled aggregates in their new licence application. The township also voted to oppose this application and force the producer to go to the OMB. The township is saying no to primary aggregate extraction and also saying no to recycled aggregate products. What can our industry produce in Woolwich township that is acceptable?

The province has a key role to play in this issue. I suggest that the committee consider amending the policies that accompany the ARA to specify that recycling of used concrete and asphalt is permitted and encouraged on land having a licence issued under the ARA, as long as primary aggregate reserves remain with the licence. Once

reserves are depleted, the ARA licence or permit should be cancelled. Future recycling on the site after the licence or permit is removed would be at the discretion of the local and regional policies and bylaws at that time.

The ARA works well but may need some tweaking. Please consider our issues raised and keep in mind that the local economy of the area depends on the ability of local aggregate businesses. Small aggregate producers like Tri City Materials are proud to be a part of the communities we grew up in. If we weren't responsible and proactive, I wouldn't stand here in front of this committee.

Thank you.

The Acting Chair (Mr. Michael Coteau): Thank you very much, sir. We'll start with the PC caucus. Mr. Harris.

Mr. Michael Harris: Rick, thank you for your presentation.

You talked about recycling. What percentage would you say your total supply would be? I think you named two pits that you do recycling, or all three pits. New Hamburg—

Mr. Rick Esbaugh: New Hamburg, Kitchener and Petersburg.

Mr. Michael Harris: So what percentage would be recycled material that goes out, in your opinion, from your operation?

Mr. Rick Esbaugh: Thank you. That's a good question. Unfortunately, it's only about 5%. I think if the demand from the people and from municipalities—municipalities being the biggest user—was there, we could do more and save our good virgin reserves.

Mr. Michael Harris: Thank you.

The Acting Chair (Mr. Michael Coteau): Next, NDP caucus.

Ms. Sarah Campbell: Thank you for your presentation. You spoke to a lot of municipalities being reluctant to use recycled materials. I realize that you are not a municipality, but can you speak to that? What do you think are some of the stumbling blocks for municipalities to buy in?

Mr. Rick Esbaugh: Well, I think the people in municipalities are afraid. Maybe they just don't know; maybe they just don't have enough education on what we can recycle and what good it does. I mean, we recycle water bottles. Why don't we recycle concrete and asphalt? Why aren't municipalities using it? You take six inches of asphalt off a road, for instance, in downtown Kitchener. Why can that not be brought back to the gravel pit, ground up and reused on that road again? It just makes common sense.

When I took over the gravel pit that I own five years ago—six years ago now—it had mountains of asphalt, and I've diligently worked to get through that and use that up. We don't want to have gravel pits left with asphalt and concrete in them before the licence expired.

Ms. Sarah Campbell: Thank you.

The Acting Chair (Mr. Michael Coteau): Government side?

Mrs. Liz Sandals: Yes, thank you. You mentioned in your comments that both Waterloo region and Wellington county have actually seen a decrease in the volume of aggregate production. To what do you attribute that?

Mr. Rick Esbaugh: I think a lot of it is due to the economy and due to recycling, because the average is about 9% or 10% that recycled products are used, but I think we could do a much better job and use a lot more.

Mrs. Liz Sandals: So it isn't that something isn't being produced; it's that there's a drop in the production of virgin aggregates. If you were to add virgin plus recycled, that total isn't down?

Mr. Rick Esbaugh: That's correct.

Mrs. Liz Sandals: Okay; thank you for clarifying that.

The Acting Chair (Mr. Michael Coteau): Thank you very much.

CONESTOGO-WINTERBOURNE RESIDENTS ASSOCIATION

The Acting Chair (Mr. Michael Coteau): Next up, I have Doug Joy. Mr. Joy: a 10-minute presentation, five minutes for questions. Welcome.

Mr. Doug Joy: Thank you very much. Thank you for the opportunity for speaking here today. I appreciate you coming to Kitchener-Waterloo. I'm speaking on behalf of the Conestogo-Winterbourne Residents Association. We're a group of residents in Woolwich township initially brought together due to our concern about the potential significant impacts of the aggregate operations in our community.

Let me begin by saying that as a community we recognize the need for gravel. It's essential for our economy; it's essential for our community. However, we need to ensure that this resource is accessed in a manner that is consistent with the rights of all citizens. Our concern is that the Aggregate Resources Act right now doesn't do this. We could present many concerns here today regarding the current ARA, but we want to focus on a key item for us, which is the cumulative impacts of aggregate operations and how these affect the traffic in our communities, the property values of our homes and the noise in our communities.

You might ask, "Why is the Conestogo-Winterbourne Residents Association concerned about the cumulative effects?" Simply put, our community is in an area in which five gravel pits are currently under proposal, and there's a rumour that there are going to be more. Some of these would be considered to be very large potential operations. If approved, these operations will be active for the rest of my life and for the rest of many of our lives in this community, so it's clearly a concern for us.

Why are cumulative impacts important? I want to talk a little bit about the concerns we have and some recommendations for changes to the Aggregate Resources Act.

First, about traffic and safety: Clearly, with more aggregate operations the amount of truck traffic is going to increase in our communities. This is a concern for us

because the safety of our families and our children is important to us. In our area we have two unique concerns, I think. One is that the Grand River trail system runs through our area, which means we have heavy traffic in terms of biking and hiking, which creates special challenges. We also have a very large Old Order Mennonite community, which means we have a lot of buggy traffic on our shoulders—a special challenge—and also the walking of the children to school on the shoulders early in the morning before daybreak, which also is a special concern.

Our recommendation in terms of traffic with the Aggregate Resources Act is that it has to give greater consideration to the traffic impacts on local communities, not only from individual operations but also the cumulative impacts.

Second of all, the ARA should have provisions that proponents must address the cumulative impacts on the nearby communities and also recognize the unique characteristics of communities such as ours with heavy bicycle, hiking and Old Order Mennonite traffic.

The second item is property values. There's no question that gravel pits affect property values. In the submission that we handed out to you we cite a study that notes that properties adjacent to gravel pits saw a 30% loss in value. Obviously, that's less if we get further away, but this is a significant impact on the nearby residents. We made some rough calculations, as you'll see there. If you look at our community, with five gravel pits proposed, we're looking at a \$20-million potential loss in equity value in our homes. Clearly, this is important. Our recommendation in this regard is to expand the Aggregate Resources Act to increase the setback requirement to 1,600 metres between the extraction areas and the residential communities, or alternatively to consider compensating those property owners within an area who are going to lose a significant amount of the equity in their home.

The third item I want to address is noise. Many of our rural homes are occupied during the day, whether we are retirees, stay-at-home caregivers, shift workers, those working from home or even taking a vacation there. The cumulative impact of many gravel pits means that the noise will be there all day, Monday through Friday, and perhaps even Saturday. So this has a tremendous impact on all these people who are trying to enjoy their homes. Indeed, in our area, many of our homes will be within half a kilometre of two or even three proposed gravel pits. Currently, the Aggregate Resources Act doesn't consider these cumulative noise impacts.

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Our recommendation also deals with setbacks here, and that is to first of all increase the setback requirements where multiple operations are proposed to 1,600 metres. There are some examples of other municipalities that have done this for, let's say, class 3 industry, so that would seem reasonable for multiple gravel pit operations. Second of all would be to consider the cumulative impacts of all the gravel pits proposed or gravel extraction

items proposed before approval of any one of them is considered, because it is the cumulative impacts which are going to affect us.

Just to wrap up: Gravel, we recognize, is an important commodity in our economy today, but the conditions now are different than when the Aggregate Resources Act was first introduced and greater consideration has to be given to the rights of all citizens, including the operators of gravel pits but also for those who are going to live nearby.

As noted by Gord Miller, the Environmental Commissioner, the province has a responsibility to examine the cumulative effects of these clusters of pits and quarries. As a community subject to a cluster proposal, this is obviously critical to us.

Thank you very much.

The Acting Chair (Mr. Michael Coteau): Thank you, Mr Joy. We'll start with the NDP caucus.

Mr. Paul Miller: Hi. Thanks for your presentation today. I'm just curious. One of your concerns was the noise situation. We toured today some pits and I guess it would be the front-end loaders, the diesel trucks. I'm trying to understand what noise from the actual process would bother you.

Mr. Doug Joy: There are all of those that you mentioned, and not only when they're driving forward but actually, almost more importantly, when they're backing up, because health and safety requires a very large noise. The crushing operations that would occur: Aggregate in some cases can come out of the ground and be used as is; many times it's crushed, and that crusher can run a significant amount of time. The recycling operation also is a crushing operation, as our previous speaker talked about. There may be many large stockpiles that need to be crushed over long periods of time. That's also a noise issue.

Mr. Paul Miller: How did you arrive at the 1,600-metre buffer zone?

Mr. Doug Joy: We looked at examples of some other communities—the names are in the presentation we gave out—that were looking at setback distances for large-scale industry, the class 3 industries, so we based it on that as an example.

The Chair (Mr. Paul Miller): Thank you.

The Acting Chair (Mr. Michael Coteau): Government side?

Mr. Mike Colle: Thank you very much for a very helpful presentation and very—I was going to use the word “concrete” recommendations, but I think they're very specific and very helpful—the 1,600-metre setback. The point about the cumulative impacts in the cluster is one that I think merits good examination.

I just want to ask one question. We've heard repeatedly that local municipalities are almost refusing to use recycled materials, whereas the Ministry of Transportation uses 20% recycled materials for the 400 series of highways. I don't know if you addressed this in your complete report, but would it be helpful if local muni-

cipalities also used a certain portion of recycled materials when they're rebuilding roads and resurfacing roads etc.?

Mr. Doug Joy: I hesitate to say this, but as a civil engineer, I should know the answer to construction questions but it's not the area of civil engineering I'm familiar with. I can't answer the use of recycled materials. As a philosophy, absolutely, I think it's a good idea, but in terms of what are the challenges using recycled equipment in particular road construction, I really don't have the expertise to comment on.

Mr. Mike Colle: Anyway, thank you for your presentation.

The Acting Chair (Mr. Michael Coteau): PC caucus?

Mr. Michael Harris: Thank you for your presentation. You mentioned the cumulative effects; you mentioned noise, property values. Gord Miller did mention that in one of his reports, specifically the environmental side of things, the effects. What do you think or have in terms of the environmental effects, in your opinion? Sort of the major ones.

Mr. Doug Joy: If you want to talk about the environmental effects separate from communities, loss of habitat for our wildlife certainly is one of them, and loss of trees to help clean the atmosphere—two critical ones.

Mr. Michael Harris: Thank you.

The Acting Chair (Mr. Michael Coteau): Thank you very much, sir. We appreciate your time.

RUTLEDGE FARMS

The Acting Chair (Mr. Michael Coteau): Next up, we have Garry Hunter from Rutledge Farms. Good afternoon.

Mr. Garry Hunter: Good afternoon.

The Acting Chair (Mr. Michael Coteau): As you probably heard: a 10-minute presentation; five minutes for questions. Please state your name for the record and begin.

Mr. Garry Hunter: Garry Hunter. I'm making this submission on behalf of Rutledge Farms. Rutledge Farms are in Melancthon in North Dufferin. Mr. Rutledge was a past chair and founder of NDACT. You've heard from NDACT before. Rutledge Farms and their neighbours produce 150 million pounds of potatoes annually for the six million people in the GTA, as an equivalent.

My presentation is going to be dealing with specific parts of the act, and there may be some debate. I'm making suggestions about setbacks and so forth.

In section 2, I'm requesting that the province continue to encourage diversity of aggregate supply close to market. I'm advising that a concentrated mega quarry type of solution favours mega corporations and a monopolistic, higher-price supply chain.

To address quarry sprawl, I'm suggesting that quarry licence applications be limited to a single geographic township block—by a township block, I mean 1,000 acres, which is still quite large and it may well be of

mega quarry dimensions—where we have anywhere up to 80 metres thick of the resource.

In other presentations, we've heard the Environmental Commissioner say that site selection matters, and most of the sites that we're seeing—I should also say that I'm talking mainly here about the Amabel quarries and the supply to the GTA and not so much about the rest of the province. As you may know, the aggregate resource, the bedrock resource, is almost infinite in extent, except that it's almost all inaccessible because of a whole variety of reasons, including green land policies.

New quarries: I'm suggesting a different paradigm for location. I'm suggesting that they should be in the groundwater divide areas rather than near the front of the escarpment where they've traditionally been located. These are in low-gradient groundwater areas. The divide, by definition, is an area of minimum flow. These considerations need to be brought into the SERA regulations.

An example of resource use: In the Melancthon mega quarry, just to use an example, the resource is 20 metres deep on one side and 80 metres deep on the other side, so if it is possible to extract to 80 metres, it only makes sense to mine the areas that are much thicker because the footprint is much less.

With regard to haul roads, I'm recommending that the major aggregate-producing municipalities, MTO, AMO, OGRA and so on establish geometric and high-strength structural design standards to be included in the provincial standards so that this is a prerequisite of a new application: that the haul roads be built in accordance with the standard. That would include a two- or three-lane standard and a five-lane road section.

You heard Greg Sweetnam say that up north, in Dufferin county, where he's located—and likely for the GTA, "up north" is Dufferin and Grey counties. It's not the granite of the Canadian Shield; it's a tough area for crushing and so on. Maybe others will talk about that.

1400

With regard to recycling, the province provides funding to areas like Toronto light rail and subway expansion that we're reading about in the papers all the time. There should be some guideline. Presumably, in this type of construction, there can be a higher content of recycled aggregate to reduce the piles that are accumulating around the Toronto area.

I'm asking that the Ministry of Natural Resources reproduce their aggregate statistics by geological source characteristics rather than by county, or in combination with the county, so that we know how much Amabel rock is being consumed. Right now, those statistics aren't available.

On notification: I'm suggesting that the standard would be 120 metres plus 50 metres for each single metre of depth of extraction below the ground.

Perpetual water table maintenance—this is after the quarry or the pit is completed: that applications not be accepted that are dependent on perpetual maintenance.

Water table gradients: If the water tables are more than five metres in single pits or quarries, or if they're a

cumulative 10 metres across an area, that those areas not be approved—and this takes us back to the groundwater divide analogy for site selection.

The setback distance from the quarry, and extraction limits for mitigation of water tables: Here, we're talking about recirculation. It doesn't really make much sense to put recirculation right at the top of the quarry cliff. It would be much more effective further back. An example is Keppel quarry northwest of Owen Sound, where you can see that this has happened.

Pit and quarry shapes: The township block that I mentioned has an efficient 8.2-kilometre perimeter, whereas with a quarry such as the Melancthon mega quarry, the perimeter length is 31 kilometres. So you have nuisances; the operator has many more costs of doing his peripheral control. The equivalent square would only be 12 kilometres in this—so this is why site selection matters.

The rehabilitation to agriculture on quarry floors is not sustainable. I think you heard Carl Cosack call that ludicrous. I happen to support his comment.

In terms of fill and spoil, the issues on infilling sites are related to groundwater flow through the excavation, so it depends on the kinds of spoil. There are some native spoil materials that are high in organic carbons. They're related to gas shales, which are not suitable for filling. An example would be the southeast collector sewer in Durham region being built by York region at the present time.

The establishment of a primary nuisance zone for a quarry is 600 metres. I guess I have a different view than the 1,600 that you just heard, but these are all valid recommendations. What goes on is that, if there's a nuisance next to the quarry, this tends to affect people's land value and makes it, in turn, a single entity that wants to buy the property.

In terms of the time of notification—

The Acting Chair (Mr. Michael Coteau): Sir, you have about a minute left.

Mr. Garry Hunter: A minute? So: 120 days for the initial review, 60 business days for the review after, shortening the time that the applicant has to respond from two years to one year so that the whole time frame is not further extended.

In terms of the Green Energy Act and the Aggregate Resources Act, what we're seeing across the countryside is sterilization of the bedrock reserves in many areas, those reserves designated by the Ontario Geological Survey.

Under the Aggregate Resources Act, points to be considered by the minister would be the appropriateness of the site-selection process; the conformance of haul routes with provincial standards—

The Acting Chair (Mr. Michael Coteau): Okay, your time is exhausted. Do you want to take 15 seconds to wrap up?

Mr. Garry Hunter: Yes, I'm just on my last piece here—the perpetual sustainability of applications in steep-gradient water table areas; nuisance setbacks of the quarries; the size and shape efficiency; the cumulative

impact—these are all things you've heard of; the competitive aggregate marketplace, which means some weighting towards the smaller producers; and last of all, a citizen liaison committee to assist MNR with oversight. We've implemented that in parts of the Keppel proceedings.

The Acting Chair (Mr. Michael Coteau): Thank you very much. We'll start with the government side. MPP Sandals?

Mrs. Liz Sandals: Yes, thank you very much. You've touched on a lot of very technical data, Mr. Hunter, and I think we don't have that technical background. But one of the things that's very important to people in this area is groundwater quality. In section 3.4, you talk about where it would be best, from a groundwater point of view, to place quarries. Can you briefly explain that in plain English? Because I think we're a little bit lost on some of the technical terms.

Mr. Garry Hunter: Well, I only had 10 minutes.

Mrs. Liz Sandals: It's going to have to be really quick plain English.

Mr. Garry Hunter: Hopefully you'll read it in more detail later, I suppose.

The groundwater divide area I'm suggesting—in theory, that's an area of no flow or very low flow, so that the groundwater inflow into a quarry, for example, theoretically is minimal in that zone, versus going further down-gradient towards the Niagara Escarpment or towards Guelph or wherever. There's more opportunity to manage, as the operators would call it, excess water, although I'm not sure there is—

Mrs. Liz Sandals: So you're looking at a hydrogeological impact. If you've got to make a decision between here or there, of someplace where you minimize the flow of water from one place into—

Mr. Garry Hunter: Well, you minimize the flow into the quarry—

Mrs. Liz Sandals: Into to the pit.

Mr. Garry Hunter: —because of your site selection.

Mrs. Liz Sandals: Okay. Thank you.

Mr. Garry Hunter: And I don't see that happening in any of the proceedings I've been involved in.

The Acting Chair (Mr. Michael Coteau): I'm going to go on to the PC caucus. MPP Jones?

Ms. Sylvia Jones: Thank you, Chair. Garry, you've covered a lot in your presentation. I wanted to ask a specific question related to the size of the applications. Do you have a recommendation for the committee on whether there should be a difference depending on the size of the application?

Mr. Garry Hunter: How do you mean? I'm suggesting—

Ms. Sylvia Jones: In the review.

Mr. Garry Hunter: I'm suggesting that an application be confined within one township block. I'm also suggesting that when that township block is established, there may be more priority given to the aggregate use than to a wetland concern or some other constraint con-

cern. I don't know if I'm answering your question. What the Highland—

Ms. Sylvia Jones: So basically, you would like applications to be limited to one country block. That would be your recommendation to the committee?

Mr. Garry Hunter: Yes.

Ms. Sylvia Jones: Okay. Thank you.

The Acting Chair (Mr. Michael Coteau): NDP caucus?

Mr. Paul Miller: Thanks, Garry. Good presentation.

A question on one of your items here, 3.2. You talk about quarries, and it's stated at the top of the page that quarries are located in bedrock. I haven't found that in my experience, particularly in Hamilton. There was one particular one that was on fractured bedrock, right above the city, and we've had problems. How do you feel about quarries on fractured bedrock?

Mr. Garry Hunter: Well, that's still bedrock in the way that I've used the definition here. I'm just trying to differentiate between pits and quarries for—

Mr. Paul Miller: Yes, but fractured bedrock can cause major problems for underground water—

Mr. Garry Hunter: Of course.

Mr. Paul Miller: —and it also can leak down the escarpment into areas that are pristine. That was my concern, so I noticed that.

One other quick question: You mentioned about citizen liaison committees. Well, that was another horror story that I went through a few years ago, where the company didn't like what the citizens were saying and doing in getting things done right, and they replaced it with a company liaison committee. The ministry did nothing about it. How do you feel about that?

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Mr. Garry Hunter: Well, I just feel that the MNR staff need oversight and support to enforce the regulations.

Mr. Paul Miller: Thank you.

The Acting Chair (Mr. Michael Coteau): Thank you very much, sir. We appreciate your time.

HUNDER DEVELOPMENT LTD.

The Acting Chair (Mr. Michael Coteau): Next up, we have Hunder Development Ltd.: Bob and Kyle Hunsberger. Good afternoon. Please state your name for the record; a 10-minute presentation and five minutes of questions. Thank you very much.

Mr. Bob Hunsberger: My name is Bob Hunsberger, and I'm representing Hunder Development. Kyle's riding backup if I get into trouble.

Hunder Development is a private company owned by our family and our neighbours the Snyders. For 60 years, we've been hog farmers in the Woolwich township area and our neighbours have been dairy farmers. We've both sold our livestock operations and wish to develop the proven aggregate resources on our properties. We have completed the requirements under the current Aggregate Resources Act, and we are now waiting for a hearing

with the Ontario Municipal Board regarding the necessary zone change.

Both of our families have been long-time residents of our community. Our family purchased our farm in 1948; the Snyders purchased theirs in the mid-1960s. While we wish to see this important resource developed for the growing Waterloo region, we also want to see the impact on our community minimized. Our application includes a rehabilitation plan that will return the land to agriculture—and you just heard the previous speaker talk about that. My opinion is, and I think evidence shows, that it can be rehabilitated to agriculture and it will be dependent on individual circumstances. If it's a deep quarry, it will be different than a shallow gravel excavation.

Our objective is not to become gravel pit operators but to have a block of land with an extraction permit in place that will be professionally operated and rehabilitated in accordance with an acceptable business plan and social plan.

Our message today is focused on three points. First, the aggregate industry is important to our regional, provincial and national progress. It's not just important; it is essential. It is a limited resource and we need to use it wisely.

Second, in the interests of efficiency and environmental protection, aggregate resources should be developed as close to the point of use as possible. The arguments supporting local gravel developments are the same ones that are used to support local food production.

Third, the review of this legislation is important. We welcome the review of the Aggregate Resources Act, but we stress that the Aggregate Resources Act is not broken. It is environmentally and socially sound. In fact, it is leading legislation with respect to its requirements for assessing environmental and social impacts. The review and updates should be focused on streamlining the process of licensing while ensuring that environmental and social impacts continue to be minimized.

On the importance of the aggregate industry, no one will dispute that. It's used in all of our building projects, and it is a limited resource. Some think otherwise, since we have the technology, I suppose, to break big rocks into small rocks and to blend various types of rocks together and transport them to any part of the country that we need them. However, the high-quality, naturally blended aggregate that the ice age left behind is limited. I believe it's our social responsibility to use that before we start other activities of breaking big rocks. The Ontario Stone, Sand & Gravel Association has many examples of successfully rehabilitating gravel pits, and it is a temporary use.

Close-to-market development: Two main arguments in support of local food are that transportation costs are reduced and the support of local economies is augmented. The transportation cost for food is less than 10% of the total cost of the final product. With aggregate, the cost of transportation is more than 50% of the total cost. The environmental impact of moving aggregate over long distances is huge.

Smaller, local gravel pits are more environmentally responsible and result in less pressure on the infrastructure. The province cannot afford to crush rocks in the Canadian Shield and transport the material hundreds of kilometres to points of use. The financial and environmental costs of such a policy would be unjustified and unbearable.

Additionally, the social impact of smaller pits is considerably less than mega projects way out there somewhere. We understand that people have concerns about development aggregate in their communities. I have never heard anyone say, "I'm really hoping they put a gravel pit in close to my place." I think there are valid concerns, and we need to address them. We need, however, to make sure that the responsibility of aggregate production is distributed between as many sites as possible rather than focusing on mega quarries that have a much more significant effect, not only on their immediate areas but on the whole provincial infrastructure. Unfortunately, the current legislation is forcing the industry in the direction of mega quarries due to the oppressive cost of navigating the process.

On the ARA review, I need to emphasize that our application was submitted in April 2009 and completed in April 2011. We have met the requirements under the current legislation and the Ministry of Natural Resources has notified us that our application is acceptable. We do not intend ever to submit another application, so whatever changes to the Aggregate Resources Act, there's nothing in it for us.

In Toronto, you heard a deputation from Erwin Schulz of the Karson Group on behalf of the Eastern Ontario Aggregate Producers. He gave a hypothetical example of a landowner applying for a line of credit to finance an application. We're a real-life example of that hypothetical example that he gave. We have committed our own financial resources to assessing the quantity and quality of the gravel deposits on our properties and to developing our application.

Our properties are located near the north end of the city of Waterloo, and we are only a few kilometres from the city limits. There are approximately 600 homes within a two-kilometre radius of our properties, primarily centred in the villages of Conestogo to the west and Winterbourne to the north. While some will argue that this should preclude our application since they regard this as a residential area, in fact, the area is primarily agricultural, and that is how our properties are zoned. Additionally, in the Waterloo region, some 20% of the gravel that's extracted comes from within the limits of the city of Kitchener. Aggregate extraction and residential development are not necessarily incompatible.

Our initial evaluation of the deposit on our properties was done in 2000 by a professional engineering firm. In 2003, we did a preliminary assessment of the hydrogeology on our properties to determine the depth and direction of the flow of the groundwater. In 2006, we completed a second inventory assessment done by a separate engineering firm. Between May 2006 and April

2009, we continued doing environmental and resource assessments to determine whether there was a reasonable chance that our deposit could be developed under the current legislation without unnecessary impacts, and we concluded that it could be.

We believe that our application is neither complicated nor controversial from a technical point of view. It's above the water table. The setbacks at all points are at least triple the minimum distances. We think the rehabilitation plan is logical and realistic. It's phased so that you don't have to wait until the whole project is done before rehabilitation begins. Natural local features such as woodlots and wetlands are being preserved.

There's a long history of gravel development in our area. Notwithstanding this, it has taken us 12 years and more than \$1 million to get to the stage that we're at now. We believe that an improved ARA could streamline this process and reduce the cost to applicants while still providing rigorous safeguards to the communities and ensuring that the MNR has the resources to monitor operations.

We also believe that revisions to the ARA should guard against turning aggregate applications into popularity contests. Our experience has been that many local residents are supportive of our application. In the course of our normal business activities, we've had many local business people ask, "How's your gravel application coming?" We discuss it and they conclude by saying, "Well, good luck with it. We sure need the gravel." The concerns of the vocal minority should not dominate the interests of the silent majority.

A number of years ago, Canadian actor Michael J. Fox starred in a series called *Spin City*.

The Acting Chair (Mr. Michael Coteau): You have 50 seconds left.

Mr. Bob Hunsberger: It was, of course, a comedy, and Fox's character was the executive assistant to the mayor of a large city. His job was to put a positive spin on everything that came along so as to benefit the mayor's political position.

We all do that. We all try and spin things to support the positions that we're in. The concerns of local residents need to be heard and the current ARA ensures that that is done, but many of the objections we have found are not reasonable. And what I mean by that is that, as an example, one letter said, "We don't care how many studies you do"—and it actually also said, "or what the outcomes are"—"we'll never agree that this is a good place to have gravel." So the objections have boiled down to: This is not the right place for gravel development, and the implied corollary is, "It's too close to my place."

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The Chair (Mr. Michael Coteau): Thank you very much. That's 10 minutes. I'll go to the PC caucus first.

Mr. Michael Harris: Mr. Hunsberger, thank you for your presentation. You talked about the time that it's taken and some delays. If I can recall, on your specific application there was a fairly significant delay until you

heard it would proceed just after last fall's provincial election. My question to you is, do you feel that delay was somewhat an attempt by the Liberal government to save a Liberal seat?

Mr. Bob Hunsberger: I can't comment on that. I'm not sure why that happened. It seemed that the paperwork sat in limbo in an MNR office for six months, and I can't comment on why that happened.

Mr. Michael Harris: All right. Thanks.

The Acting Chair (Mr. Michael Coteau): NDP caucus? MPP Campbell.

Ms. Sarah Campbell: Thank you for your presentation. In your presentation you mentioned environmental protection as being one of the reasons why you support a close-to-market approach. You didn't go as far as mentioning recycling and the importance of recycling. What role do you see recycling playing? Do you support it? And what needs to be done to encourage it?

Mr. Bob Hunsberger: Well, I do support it. I think it is an environmentally responsible thing for us to do. In our particular application, financially, there's nothing in it for us one way or the other, so we are not supporting it for our own—I'm not saying this because we have a financial interest. I just think that it's the socially responsible thing to do. I think the concerns around it centre on the noise and the potential fine dust particles that are caused by it, and I think that the scientific evidence on recycling, particularly asphalt, does not support concerns of risk to human health or contamination of groundwater. But I'd leave that up to the committee to investigate.

Ms. Sarah Campbell: Thank you.

Mr. Paul Miller: Thank you for your presentation. I see that you mentioned that you had been in the hog business and your neighbours had been in dairy cattle. Are either one of those organizations going to continue in those areas, or have you both ceased your operations in that?

Mr. Bob Hunsberger: We have both ceased our operations on the properties under question.

Mr. Paul Miller: Okay. My last question would be—you've heard from various presenters that they're concerned about truck traffic, noise and pollution, the potential of that. You mentioned that you were within a couple of kilometres of two boroughs. Do you feel that your situation will have a negative impact on your neighbours?

Mr. Bob Hunsberger: Well, our intention is to minimize that impact. Of course, when there's gravel being trucked out of a particular site there will be traffic and that will cause more traffic on the road. The question is, will it exceed the capability of the roads to handle that, and traffic experts, in our case, have looked at it and said, "No, it will not."

Mr. Paul Miller: Are these traffic experts—

The Acting Chair (Mr. Michael Coteau): Okay. We'll just go on to the government side here. Sorry; I have to cut you off. That's the third question.

Go ahead.

Mr. Mike Colle: Thank you for the comprehensive presentation, Mr. Hunsberger. We've had many presenters mention the amount of time and money it takes to get an approval for a new pit, but don't most applicants know that that's what they're getting into, that it's going to take a long time and it's going to cost a lot of money?

Mr. Bob Hunsberger: Yes.

Mr. Mike Colle: So therefore, who's to blame for that? Is it the process or is it just part of the cost of doing business?

Mr. Bob Hunsberger: Well, I suppose you could interpret it either way. I think that the process itself, under the Aggregate Resources Act, is a defined two-year process. The 12 years that we spent that I detailed up until April 2009 were done on our own volition and preparatory work. We would have had to do some of that work anyway under the Aggregate Resources Act, but we didn't have to do it before we put in the application. That was our choice.

Mr. Mike Colle: Yes. Thank you very much, sir.

The Acting Chair (Mr. Michael Coteau): Thank you very much for your time.

GRAND RIVER
UNITARIAN CONGREGATION
SOCIAL ACTION COMMITTEE

The Acting Chair (Mr. Michael Coteau): Next up we have Paul Hennig. Good afternoon, sir. Thank you for joining us here today. We have 15 minutes for your presentation. The deputation part should take 10 minutes and then we'll ask questions for about five minutes. Welcome. Please state your name for the record and then you can begin.

Mr. Paul Hennig: I'm Paul Hennig. I represent the social action committee of the Grand River Unitarian congregation.

First, I'd like to thank the committee for this chance to submit my concerns over Ontario's policies regarding aggregate resources. The present Aggregate Resources Act was written and passed over 40 years ago. I believe, along with many, many of my fellow citizens, that this present act fails to protect and conserve the ecology, environment, water tables and farmland of our beloved province.

This considerable and widespread concern is voiced in the protests over the proposed Melancthon mega quarry, Tottenham and other pits in a number of editorials and letters to the editors of local newspapers such as the Orangeville Banner, the Toronto Star, the Caledon Enterprise, the Wellington Advertiser and others. The Melancthon mega quarry is a case in point of the failure of the present ARA to protect our environment from insult and degradation. The headwaters of the Grand and Nottawasaga rivers will be seriously affected—the Nottawasaga, which flows over and through the Niagara Escarpment, a hugely important biosphere.

The operators of the gravel pits will argue that they provide jobs, but are jobs at the price of our environment

worth it? Is the expediency of the construction industry worth it? We must not be selling off our precious natural heritage for a fistful of dollars. Without an ecology, there is no economy.

Ontario presently recycles only 7% of its aggregate. The United Kingdom recycles 24%. The UK has achieved this through an aggregate levy of £2 or \$3.20 Canadian a tonne. Ontario's present levy is 11.5 cents a tonne. As a result, the economic incentive is not there.

The technology is in place. Four years ago I observed a section of Weston Road south of Highway 9 being renewed. There was an extraordinary machine which tore up the old road, pulverized it, then laid it down behind it, where it was rolled down. Then asphalt was laid down on top of that. It was new road for old. There was no new aggregate involved. It was marvellous. With a proper aggregate levy, this technology would be widely employed. It would be economically viable. That is what it takes.

The levy must go to cover the costs associated with managing and planning for aggregates, not going into general government revenue. As well, a new ARA must put into law a full environmental impact study of any proposed quarry or pit. The Ministry of Natural Resources needs more capacity and authority to properly regulate and monitor the aggregate industry and to provide long-term planning and stewardship of the resource. Local restrictions on the use of recycled aggregate need to be removed.

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We of the Grand River Unitarian congregation feel that we are stewards of the creation given to us. This is a theological issue. St. Thomas Aquinas wrote in the Summa Theologica that creation is the revelation of God. I believe that insult to that creation is a serious matter. I hope the government of Ontario will likewise consider this to be a serious matter.

The Acting Chair (Mr. Michael Coteau): Thank you very much, sir. We appreciate the presentation. We'll start with the NDP caucus.

Ms. Sarah Campbell: Thank you, Mr. Hennig, for your presentation.

In your presentation, you talked about increasing the use of recycled aggregates. One of the things that I have heard from other presentations is that municipalities have a concern about all of the trucking of the recycled aggregates and all the wear and tear that that causes on the road, which in turn creates more costs for municipalities.

My question is, do you think it would be appropriate to charge a levy on recycled materials to be fair to the municipalities and encourage them to use recycled aggregates?

Mr. Paul Hennig: Well, that's a question that would have to be looked into. I don't have an answer to that question.

Ms. Sarah Campbell: Okay. Thank you.

Mr. Paul Miller: A good presentation, sir.

I just wanted to ask you a question about the ability of inspectors—I went to one quarry today, or pit, and the

manager told me that he had had one inspection in a year. Do you feel that there need to be more inspectors, there needs to be regular oversight of any quarries or pits, or any excavation situations?

Mr. Paul Hennig: Absolutely. That's why we need an increased levy, to provide funds for these kinds of inspections and oversight.

Mr. Paul Miller: Thank you.

The Acting Chair (Mr. Michael Coteau): We'll go to the Liberal caucus. MPP Colle.

Mr. Mike Colle: Thank you for the very theological and inspiring presentation.

Just getting back to this levy, that's one thing we've heard, that there should be a higher levy. I think some of the producers have said that they are willing to look at that as part of the solution, increasing the levies.

The other side of it, though, is: Why is it that when we build the 400 series of highways, the 401 and so on, 20% of the asphalt that's used, the construction material, is recycled—MTO, the Ministry of Transportation, Ontario, uses 20% recycled material—yet the local municipalities across Ontario basically do not use recycled material?

Don't you think that besides the levy initiative, this committee should consider a carrot-and-stick approach in encouraging local municipalities, when they're rebuilding roads and tearing apart roads, to do what you saw on Weston Road, which is to use some of those recycled materials? Shouldn't that be one of the things this committee should look at?

Mr. Paul Hennig: Absolutely. See, the local municipalities must be educated in these technologies. Many of them, perhaps, formed their opinions on earlier technology that was not as sound as this one. I observed Weston Road over months, and there was no ecological damage. There was no dust or trouble or anything. It was remarkable.

The Acting Chair (Mr. Michael Coteau): We'll go to the PC caucus. We only have a couple of minutes left. Go ahead.

Ms. Sylvia Jones: Just a point of clarification: MTO actually uses 30% recycled.

Mr. Mike Colle: It's up to 30%?

Ms. Sylvia Jones: Yes. So although I would readily support—

Mr. Mike Colle: I was given 20% last week.

Ms. Sylvia Jones: I would readily encourage municipalities to up that, but MTO is doing 30%, as I understand it.

One of the recommendations that you made, Mr. Hennig, talked about increasing the levy. As has already been discussed, you're not the first person who has raised that. Did you have a recommendation for the committee as to what that levy should be? It's currently 11.5 cents. I think 0.5 cents of it goes to recycle abandoned pits and quarries.

Mr. Paul Hennig: Well, Quebec has 50 cents a tonne, but even that is not sufficient. I would think at least a dollar a tonne.

Ms. Sylvia Jones: Based on your point a little further down, I'm guessing that you do not want that to go into the general revenue fund. You'd actually like it to be in a special fund that natural resources would be using for monitoring maintenance.

Mr. Paul Hennig: Absolutely.

Ms. Sylvia Jones: Thank you.

The Acting Chair (Mr. Michael Coteau): Thank you very much, sir, for your presentation.

Mr. Paul Hennig: Thank you.

TRANSITIONKW

The Acting Chair (Mr. Michael Coteau): Next up, we have Alisa McClurg. Welcome. You have 10 minutes for your presentation and five minutes for questions. You can start by stating your name for the record.

Ms. Alisa McClurg: Greetings. My name is Alisa McClurg. I come here today as both a planner and co-facilitator for TransitionKW. Before I begin, I would like to briefly state that 18 months ago I conducted a review of the State of the Aggregate Resource in Ontario Study, which enhanced my understanding of the aggregate situation here.

I would like to begin by describing TransitionKW, then discuss a bit about the state of the current aggregate consumption in this province, outline some of the reasons for this consumption, suggest some ways to reduce it, and explore different legislation and industries which practise demand management that might provide some insight, all for the overall goal of stressing that we need to encourage a consideration of our need for aggregate.

TransitionKW is part of a global transition town movement that seeks to bring about local community resiliency. Resiliency can basically be described as the ability to deal with changes, stresses and shocks while maintaining essential functions.

There are hundreds of initiatives of transition towns around the world, and while our primary focuses are peak oil, climate change and economic stability, we recognize that the challenges each community faces are unique, and therefore the ways to achieve resiliency are different for each of them.

In southern Ontario, aggregate is becoming increasingly important, and so is the focus of our group. In Ontario, aggregate consumption is high. We consumed 14 tonnes per capita in the period 2002 to 2007. Our consumption is higher than the US, Australia, New Zealand and much of western Europe. In fact, in the chart provided in the SAROS, we are only third to Finland and Ireland—Ireland having undergone a development boom accounting for that.

This high consumption is concerning, due, as I'm sure you are aware, to the negative impacts of pits and quarries. They destroy our farmland, waterways, cultural heritage and very way of life, in many cases. This divisive nature brings about long, unpleasant and unfortunate conflicts—the mega quarry proposal in Melancthon being perhaps top of mind, but there are many others.

Why is this happening? The SAROS report outlines several reasons. We have higher population growth in many places, lower population density, higher GDP growth and lower mean annual temperature, which requires deeper road bases and more repair. While this may explain some of it, it does not explain why our per capita use is higher than in places like Saskatchewan, where the mean annual temperature is lower and there is comparable population and GDP growth. As well, as noted in a chart in the SAROS, our consumption is three times higher than the UK and significantly higher than Germany, Italy, Belgium and so on.

Why is this happening? TransitionKW would like to suggest that the reasons for this are more insidious than just the reasons I've listed. It is due to the lack of a legislative framework to seriously assess the question of a need and how to go about addressing it. A quote from the provincial policy statement says, "Demonstration of need for mineral aggregate resources ... shall not be required...."

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Of course, the Aggregate Resources Act allows for the minister, from time to time, to assess the demand of aggregate and establish policies, but this is even weak because it does not require us to assess what it is that we really need.

The provincial Environmental Assessment Act instead requires the consideration of alternatives, including, in some cases, the do-nothing option. TransitionKW would like to suggest, rather than tweaking the Aggregate Resources Act, that we place the aggregate review process under the provincial Environmental Assessment Act to allow for a full consideration of alternatives.

Why is this important? Once this is done, we can put all the options on the table, such as how to reduce, reuse and recycle aggregate. The three Rs was the first item given mention in the SAROS summer report. It is also mentioned by the Aggregate Resource Advisory Committee in reviewing the SAROS.

There are many ways we can encourage the three Rs, ranging from careful source separation, the encouragement of mixed- and high-density development, and research and innovation. Careful source separation is particularly important in the SAROS due to the lack of source separation of construction materials, but there are also other materials, such as ceramic and glass, that are not being properly separated.

High-density development reduces the need for roads. Mixed-use means we will not travel on them as much, thereby reducing wear and tear. As for research and innovation, the SAROS points out that the energy crisis of the 1970s resulted in innovation with respect to the recycling of asphalt, due to petroleum being used in this product. If we truly realized that we are facing an aggregate crisis in this province today, which we are, what sort of research and innovation could we achieve?

There are many other pieces of legislation that require a consideration of need. I won't go into them at length, but legislation like the Places to Grow Act and the Plan-

ning Act require a consideration of population, housing and associated amenities, depending on which legislation you are considering.

There are also many sectors that practise demand management, including hydro, waste management and biosolids. Currently, the situation is widely recognized as being untenable. The Environmental Commissioner, Gord Miller, in his presentation to you, said that "we shouldn't be planning our industry on a cornucopia of new pits that constantly supply all the aggregate we need. That is not responsible to future generations...."

So we have come to a fork in the road. We can continue with the status quo. We can make things worse by accelerating the approval process and further worsening our already weak environmental protections, or we can find better solutions. A true needs assessment, accompanied with the implementation of the three Rs, offers a way towards that path. Otherwise, there will be an ever-increasing destruction of our environment, farmland and very way of life. If we do nothing, the unthinkable could happen, and indeed in many ways it already has.

So I ask, on behalf of TransitionKW: Please let serious consideration of need and alternatives to meeting that need be included in the aggregate review process. To do this, we would suggest requiring that all aggregate reviews fall under the Environmental Assessment Act.

Before I finish, I would like to highlight an article in Plan Canada last winter by Professor Jill L. Grant, called Planning for the Long Term: Regulating for Resilience. I'll read from here. She says that "we can take steps to eliminate or alter rules, regulations, codes, and covenants that undermine resilience." While she offers the simple suggestion of allowing for clotheslines, I suggest that we can do something here far more revolutionary. We can bequeath our children a legacy of prudent aggregate legislation that protects the vast areas of beautiful green space, waterways and resources which we all enjoy.

We ask that you seriously consider this. Thank you.

The Acting Chair (Mr. Michael Coteau): Thank you very much. We'll start with the NDP caucus.

Mr. Paul Miller: Thank you for your presentation. I agree with you when it comes to the EA. I believe it should be part of the process; it isn't. The present situation with the government is that the EA is under attack by industry and all kinds of other producers that think it's too drawn out, it's too complicated, and there are too many walls to climb with the EA process, which I personally disagree with. I think that it should be followed, but it isn't, unfortunately. That's the movement that's going on right now.

In reference to your concern about the amount of aggregate we use in Ontario, I'm not quite sure we can compare it to England or the Scandinavian countries or other countries like that, because they're much, much smaller. We are very geographically challenged in Ontario, and even in Saskatchewan they don't have the population we do. There are a lot more cars on the road, a lot more trucks on the road. So I'm not quite sure that would be a good comparison.

But I agree with you on the EA and I think you're moving in the right direction and certainly we would hope that would be passed.

Ms. Alisa McClurg: Just to clarify, I was using per capita data.

Mr. Paul Miller: Okay.

The Acting Chair (Mr. Michael Coteau): Liberal caucus.

Mr. Joe Dickson: Thank you, Alisa. Excellent speech. You've done a lot of research.

I'm just going to put two questions into one, but first of all, the EA is used at certain levels and in certain conditions, as we know. Ontario currently is the leader in the percentage of recyclable highway paving or 400-series paving that is done throughout this province. The figure of 20% was mentioned; the figure of 30% was mentioned. Number one, do you have a percentage that you feel would be appropriate for the use of conservation product in the end product? Number two, I'd just like to go back to the restoration of the quarries, because we had a lot of queries on that over different visits.

Should there be a guarantee, whether it be bonding or letters of credit—the normal legal procedures—that gives the municipalities a credit in advance? It would give them a financial guarantee that gives each of those municipalities the right to proceed with the restoration, which in some cases has been sitting dormant for decades. It gives them the right to implement restoration if the proponent is in default.

Ms. Alisa McClurg: To answer your first question, I don't have extensive expertise in the recycling of aggregate. In my submission on May 16 to the committee I made reference to two sources of information that go into that issue in further depth: Ric Hold from Gravel Watch and another individual whom I can't remember.

I haven't spoken in my talk or addressed the issue of restoration, so I don't really have an answer for that.

Mr. Joe Dickson: Okay. Thank you. I appreciate it very much.

The Acting Chair (Mr. Michael Coteau): We'll go to the PC caucus.

Mr. Rob Leone: Thanks for your presentation. I want follow up on Mr. Miller's question with respect to the statistics between Saskatchewan and Ontario. You cited the per capita difference. What exactly is the per capita difference, if you have those figures?

As you're looking for that, I'll ask my follow-up question. Is the per capita data, the per capita measure, the best one to use in comparing the two provinces? Certainly Ontario has, from what I've been able to gather very quickly, 10 times the length of roads; it probably has 10 times more population than Saskatchewan itself. Why is per capita data the best to be using in terms of comparing the two provinces?

Ms. Alisa McClurg: To answer your first question, I would have the information if I had been able to do my PowerPoint presentation, but I didn't realize I had to bring a laptop, so I apologize for that.

To answer your second question, I would say that at question is how we do development. We have the option, despite being a big province, of doing more dense developments: high-density, mixed-use. So despite there being differences in the province, we certainly have great flexibility in how we go about doing things. The question is whether we're doing it.

The Acting Chair (Mr. Michael Coteau): Thank you for your presentation.

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MS. TANYA MARKVART

The Acting Chair (Mr. Michael Coteau): Next up, we have Tanya Markvart. Welcome. A 10-minute presentation and five minutes for questions. You can begin.

Ms. Tanya Markvart: Good afternoon. My name is Tanya Markvart. I am a Ph.D. candidate at the University of Waterloo and I am an independent consultant in the area of strategic sustainability planning and assessment. Today I will speak about some key issues in applying the Ontario Environmental Assessment Act to pits and quarries.

Recently, questions have been raised about the prospects of applying the Ontario EA Act to certain pits and quarries. One key argument coming from the public is that certain pits and quarries may be at least as damaging to vital social and ecological systems as other industrial projects that already trigger an EA. So, let's make sure that these pits and quarries are subject to the EA Act.

Today, I'll briefly describe seven key issues to consider in the decision to apply the EA Act to pits and quarries. Please note that this presentation really just merely scratches the surface of these issues and doesn't really include a discussion of many other potential issues.

(1) The EA Act allows for a more substantial analysis than the Aggregate Resources Act, provincial policy statement and Ontario Planning Act. A nuanced analysis of these laws and policies is obviously beyond the scope of this presentation, but for example, the EA Act defines the term "environment" broadly to include social, economic and ecological considerations explicitly; it requires a description of the public interest purpose of the undertaking; it requires a comparative analysis of alternative methods of carrying out the undertaking and alternatives to the undertaking, including the do-nothing" alternative; and it requires a description of the rationale, or need, for the preferred alternative.

The above obligations provide a more comprehensive and broader analytical framework than the ARA, PPS and OPA offer. The EA framework would benefit all stakeholders in the sense that it would allow for an appropriately thorough investigation of impacts, alternative land uses and assumptions about the need for the resource.

For example, the ARA currently does not require an investigation of alternative methods or alternatives to.

Consequently, a range of potentially critical options related to, just to name a few, technological approaches, rehabilitation plans and site plans are excluded from decision-making. These options each individually entail a range of impacts that should be compared in order to ensure that the best alternative is defined, especially in this contemporary context, where the need to protect and conserve drinking water, farmland, aggregate and many other valued natural resources is increasing.

(2) Many stakeholders have gained a really in-depth understanding of the current legislative requirements and decision-making processes involved in approvals for pits and quarries. One critical area of learning has been around effective public participation, especially with respect to understanding legislative obligations and informal expectations. Requiring an EA under the EA Act would impose really unfamiliar regulations and decision-making processes on stakeholders who, in many cases, have invested years to get to know the current system. This doesn't mean that pits and quarries should not be subject to the EA Act. Rather, any legislative change towards EAs should involve public consultations that are extensive in order to gather input and provide information about any new process.

(3) Similar to number (2), there is much uncertainty at municipal and provincial administrative levels about how the EA Act and decision-making processes should interact with the provincial policy statement, municipal land use bylaws and approvals processes, the Aggregate Resources Act regulations and Ministry of Natural Resources licences approvals processes, as well as other ministry requirements and processes—for example, the process involved in the permit to take water—and then finally the Ontario Municipal Board appeals process. The main consequence of this uncertainty is that decision-making clarity is lost, to the extent that all stakeholders are uncertain about the appropriate authority and sequencing of decisions, especially with respect to appeals. In turn, this lack of clarity makes it difficult for all stakeholders to coordinate case-related activities. Again, this doesn't mean that pits and quarries should not be subject to the EA Act. Rather, an appropriate concern for clarity with respect to process should accompany any legislative change towards EAs for pits and quarries.

(4) One issue related to the above number (3) point is the issue of appeals. There is much uncertainty presently about how various appeals processes—for example, associated with land use bylaws, permits and licences—should be coordinated in cases where the EA is designated and in cases where the EA decision is contested. The concern is that all appeals would be consolidated, as opposed to heard independently. The risk there is that important impacts or concerns may not receive the attention that they deserve if they're not addressed independently.

(5) The Aggregate Resources Act and Ontario Planning Act allow for impact studies for aggregate extraction proposals. Accordingly, some municipalities have official plan policies for aggregate extraction that list detailed requirements for studies that cover a wide range

of social and environmental impacts. These studies may not be comprehensive of the full suite of impacts associated with pits and quarries. Moreover, the frame of analysis might not be as broad as the frame provided by the EA Act, especially with respect to addressing purpose, alternatives and need. But these municipalities present the issue of duplication in cases where the EA Act is applied to a pit or quarry within their jurisdiction.

Again, this issue of duplication doesn't mean that certain pits and quarries should not be subject to the EA. Rather, in these cases it means that the EA process and the municipal-level process should be coordinated so that there's appropriate communication between the two levels with respect to study requirements.

(6) The idea to apply the EA Act to pits and quarries raises really important questions about which pits and quarries should be subject to the EA Act and then, once subject, what type of EA should be applied in each case. The options for adopting the EA scope include (i) applying the EA Act in some form to all aggregate extraction proposals, with some getting individual assessments that are more comprehensive and others getting a streamlined EA process or a class EA; and (ii) applying the EA Act to some proposals that meet certain criteria.

For instance, it's obvious that an individual or comprehensive EA should be triggered for any below-water-table pit or quarry as well as any amendment to go from above to below the water table. Other potential triggers require more research, but some other obvious examples include, among many others, proposed extraction volume, the amount of land to be disturbed and the proposed location of the pit or quarry.

(7) As noted in the first point, the strength of the EA Act is that it provides an appropriately comprehensive and broad basis for analyzing the impacts of pits and quarries. However, the EA Act is not the only route that we can take to better the quality of assessments for pits and quarries. One alternative is to amend the Aggregate Resources Act, in particular section 12(1), "Matters to be considered by the minister," so that it includes (a) the public interest purpose of the undertaking; (b) the proponent's statement of the rationale for the undertaking; and (c) the proponent's comparative analysis of the environmental impacts of the alternative methods of carrying out the undertaking and alternatives to the undertaking.

Those are the major aspects of the EA Act that could be uploaded into the ARA in order to avoid some of those duplication issues and process issues that I mentioned earlier.

Those are all of my points. I could go over my summary, but—

The Acting Chair (Mr. Michael Coteau): Thank you very much. We'll take questions. We'll start with the PC caucus.

Ms. Laurie Scott: Thank you very much for appearing here today. The environmental assessment for Melancthon that was just ordered is very unusual, right? It's the first one ever. In your presentation, it was kind of

like a back and forth of yeas maybe to some processes, maybe not. I just wondered: Do you think that everything under the water table should have an EA, or there should be different processes for some that are above the water table?

There is a balance that we're trying to strike here in getting input as we go out in the committees. There is a need for aggregates, so what's the best way with the public involvement and the process, and where are the parts that are broken? That's a big question, but just if you could narrow it a bit more, on your thoughts on the EA process.

Ms. Tanya Markvart: Well, it really deserves a really full study. I certainly don't have any quick answer at this point because a lot more research really needs to be involved so you get into the nuances of the different ranges of pits that exist, and obviously consultations with the public to get their ideas about when an EA should be kicked in and which triggers would be the best triggers.

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With respect to below the table, I think that's a very obvious one. There should be a comprehensive EA, or studies that are equivalent to a comprehensive EA, for any pit that goes below the water table.

Ms. Laurie Scott: There certainly are some now, but yes.

Ms. Tanya Markvart: Yes. I can't speak confidently about other triggers; I would do more research myself before—

Ms. Laurie Scott: Okay. Thank you.

The Acting Chair (Mr. Michael Coteau): NDP caucus?

Mr. Paul Miller: Thank you. Good presentation. I certainly agree with you that the EA process should be involved. However, there is a bit of a problem with that, because with the EA process, it depends what the end use of the quarry may be. The quarry may start off as a gravel pit; it may end up as a hazardous or non-hazardous landfill at the end use. So there is some complication there where we have to set out the difference between the initial use of the property as opposed to the end use, and that has always been a problem. It has been a problem for my area, too, because we had some problems with a hazardous landfill which was on fractured bedrock. I could go into great detail, too, because I fought that for many years.

The EA process—you can apply to the Ministry of the Environment to change the licensing of the property. That's another thing that has to be looked at: the usage of the property. I could change the licensing from a gravel pit to accept hazardous waste, as long as it falls within the criteria of the MOE. So there are a lot of other complicated things that are involved.

What I'm trying to say is, to put it into one process would be extremely difficult. There would certainly have to be different sections of the act that would cover different situations.

Ms. Tanya Markvart: Good point.

The Acting Chair (Mr. Michael Coteau): Liberal caucus.

Mr. Mike Colle: Thank you for the thoughtful presentation. I think you're really bringing us to this point about duplication and competing oversight. Right now you have an OMB process—right?—for appeal; you have the Aggregate Resources Act; you have potential EAs, which is happening at Melancthon; and then you've got official plan amendments.

Mr. Joe Dickson: Site plan approvals.

Mr. Mike Colle: And site plan approvals.

Where's the magic bullet here? Do you think it's the EA, just applying an EA? You have five applications going on in the municipality that are all below the water table. You'd have five concurrent EAs going on at the same time, along with those other processes? Or do you eliminate the other processes and just leave it to the EAs?

Ms. Tanya Markvart: Well, that's a good question. Again, I don't have any quick answer with respect to—

Mr. Mike Colle: Yes, you're making me think about the same thing.

Ms. Tanya Markvart: One option would be to ensure that there is one process that is consistent with respect to the highest quality of approvals or the highest quality of evaluation for pits and quarries.

Mr. Mike Colle: I know you're very concerned about the water table, which we all are. Most of our presentations so far have been concerned about prime farmland: Why shouldn't you trigger an EA if prime farmland is being destroyed?

Ms. Tanya Markvart: It's a good point.

The Acting Chair (Mr. Michael Coteau): Thank you very much for your time.

MR. JAMES PARKIN

The Acting Chair (Mr. Michael Coteau): Next we have James Parkin. Welcome, sir. A 10-minute presentation and five minutes allocated for questions.

Mr. James Parkin: Thank you. Welcome to Kitchener. My name is James Parkin. I'm a registered professional planner. I worked for the Ministry of Natural Resources through the 1980s as an inspector under the Pits and Quarries Control Act, and I was involved in the development of the Aggregate Resources Act. Since 1989, I've been consulting. I've dealt with the Aggregate Resources Act and its previous form, the pits and quarries act, on a daily basis for nearly 30 years. I work at MHBC Planning. I've done many pit or quarry applications, I'm certified to prepare site plans and I've been involved in policy discussions.

I'm also an author of one of the SAROS reports and been involved in several of those documents, which were done intentionally to inform discussions like this one.

I wanted to start with an observation, if I could. There's death, there's taxes and there are well-meaning people who are going to be upset about pits and quarries proposed in their countryside. Our governments can do something about one of those things, and that's taxes.

The point I'm trying to make is that the challenge, I think, for this committee is to separate out the constructive comments on the legislation from the inevitable concerns that come with an unpopular land use, and I think that would be very evident to anybody who has sat through these hearings. There are no easy answers. We have to focus on sound legislation protecting a broad interest.

Fundamentally, we have to remember that aggregate is an essential resource. It can only be extracted where it occurs. It belongs in rural areas. One of the priorities for rural areas is to provide resources. In many ways, aggregate is like agriculture. There must be a priority for these uses in rural areas. Despite what you've heard, fortunately, there is no need to choose between aggregate and food. The conflict between the two resources is not overly severe and we're not going to starve, even if there's no Aggregate Resources Act or PPS.

Relatively speaking, there's a lot of agricultural land in southern Ontario and relatively few aggregate deposits. On the basis of the use of land, there's 40 times more land being used for agriculture than there is licensed under the Aggregate Resources Act.

Paper 2 of SAROS is the one that I was responsible for. What it tells us is that we can't take a simplistic or prohibitive approach and just try to direct aggregate to someplace where there's no conflict with other resources. That place just doesn't exist. We have to plan in a positive way to make aggregate available rather than wishing it would go somewhere else.

In Ontario over the years, particularly through the 1980s, there was a lot of work done on developing a thoughtful and responsible policy approach to deal with aggregate and agriculture. There are two publications in particular of the Ministry of Natural Resources on fruit production and agricultural rehabilitation. What they informed us about is, first of all, it understands the extent of overlap and the implications of different policy approaches. Secondly, it talks about opportunities for rehabilitation.

What we learned is, first of all, where aggregate overlaps with agriculture is limited. There's not a significant risk to food supply. On the other hand, the limited areas of close-to-market aggregate do often occur on agricultural land. We have policies: Where there's overlap we're required to rehabilitate. This has been successful, and the handouts what I've passed around include examples of both some cropland rehabilitation as well as specialty crop rehabilitation: the fruit orchards in operating pits in Fonthill and vineyards in quarries in the Niagara Escarpment, Vineland Quarries. They're well documented and they have been successful.

We do have cases where agricultural rehabilitation is not possible, such as deep quarrying below the water, but there are specific tests and policies that have to be met. There's no automatic priority to one resource or another. We have to look at the facts and decide whether to allow the extraction or preserve the agriculture. The Minister of

Agriculture, Food and Rural Affairs is involved in that decision-making.

We have this policy to try to resolve conflicts so that we can have close-to-market aggregates. Why are close-to-market aggregates important? The part of it that I wanted to talk about is also from the perspective of the paper that we authored for the state of the aggregate study, and that's why I brought along the flow chart. If you're going to examine alternatives, make sure you're thinking about the whole system, from the pit or quarry to the job site.

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In the close-to-market example on the far right of the table, the truck that leaves the pit or quarry is the delivery vehicle that takes the material to the job site. For the alternatives, that's not the case. You need to switch from the bigger trucks that haul long distances or from the boat or from the rail, if that were possible, and if you're going to switch, you need a close-to-market place on the ground to unload the material, store the material, perhaps re-process it, and then reload it for delivery to the job site. That place is going to be a large area. There are going to be trucks coming and going. There's going to be noise. There's going to be dust. It starts to sound familiar.

Pit or quarry, at the top, the same environmental impacts, whether it's down south or up north—arguably fewer impacts up north, but those are more than offset by the other components of the delivery system that is required.

At the bottom of the table you've got a short haul to a job site; that's the same for all options. So everything else in between, the brown boxes and the grey boxes, is the redistribution and handling facilities or the incremental transportation. Everything is incremental, if you compare it to the close-to-market scenario. So you've got large parcels of land that are tied up for the redistribution, and trucks coming and going. Potentially, that's permanently lost agricultural land. You've got infrastructure: large docks, new rail corridors, new lanes on highways, all of which have impacts that are going to generate local opposition. So there are significant consequences of losing close-to-market supply.

That's why we have an Aggregate Resources Act. The Aggregate Resources Act is part of Ontario's strategy. We also have a good mapping program and we have a provincial policy that requires deposits to be identified and protected. That's what can reduce the conflict. That makes people who are deciding about whether to purchase land or invest in the countryside to understand the realities that are part of the bargain.

The ARA is the licensing and regulation. Without it, we would have inconsistent fees, we'd have regulation varying from municipality to municipality, and we would have locally based prohibitions without as much regard for provincial interests. Ontario is well recognized as having good legislation. In SAROS, we looked at some other jurisdictions, and Ontario compares well. When we did the Aggregate Resources Act as part of the Ministry

of Natural Resources in the 1980s, it was a huge step forward, and I think it still serves us quite well today.

We have an application process that works reasonably well. It can take too long. It is difficult, though, to get new sites approved. The public is very involved in the processes. Proposals have to be well studied. All of the impacts we've heard about today have to be studied as part of these applications, and they are highly scrutinized on a wide range of topics. Basically, there's no reasonable question that somebody wants to ask that goes unanswered, including cumulative effects.

The improvements—and this just builds on the past presenter and the discussion afterwards—more integration of processes, less duplication is not going to detract from good decision-making. So, yes, we have the official plan, the zoning, the permits, the Niagara Escarpment, the licensing, and now throwing the EA on top of that is really not going to add anything to the process. It's too confusing already and it could be streamlined.

Provincial standards is where we have the technical requirements for applications and consultations. A lot of that is right, and you haven't heard many complaints about it. Fine-tuning on reports standards and modernizing the way we communicate between stakeholders would be improvements.

Compliance assessment is a good system. It makes sense to have the licence holders do the time-consuming legwork, checking fences and so on. The act does have good mechanisms, but the MNR needs the funding to audit. All of that is subject to a good audit system, and the MNR needs resources. We've talked about fees. Again, that ties in to giving MNR the funding so that they can do the effective enforcement.

Rehabilitation is the subject of the handouts. I won't dwell on that. There are thousands of acres in hundreds of sites that have been rehabilitated. There is money in the system for defaults. The MNR program review under the EBR and SAROS paper 6 doesn't recommend legislation changes, but there are implementation improvements, and that, again, comes down to funding.

In closing, there are always going to be public concerns about proposals for new pits and quarries. Everyone will always have an idea for somewhere better to go, but there are no easy answers. In the ARA we have solid legislation—

The Acting Chair (Mr. Michael Coteau): I'm going to have to stop you there—

Mr. James Parkin: —to minimize impacts and I think it'll continue to serve us well in the future. Thank you.

The Acting Chair (Mr. Michael Coteau): Perfect. Thank you very much. We'll start with the NDP caucus.

Mr. Paul Miller: Thank you, Mr. Parkin. You're a consultant for a group of companies—aggregates?

Mr. James Parkin: I'm speaking today as a professional with an interest in this. We do consulting work for the aggregate industry and for public sector municipalities and so on.

Mr. Paul Miller: You were in the ministry, you said, a few years ago, working for the ministry. You're well aware of the problems we had with the Taro quarry. It was fractured bedrock above a city—the city of Hamilton.

You're saying that the process is good. We certainly had a lot of problems with that, and a lot of things weren't done. The remedial work wasn't done, the liners weren't put in, the leachate tower they were supposed to put in did not go in, and it became a bit of a nightmare. They were going to put ball fields on it; they were going to do all these wonderful things with it. It's still sitting there because they have gas pipes sticking out of the ground that are giving out questionable stuff.

Is it fair to say, whether it be a quarry or a pit, if they get the okay from the MOE or another ministry to go ahead and put some other type of end use into that quarry, that that could happen and it could have a possible negative effect on the community when it's not done through remediation of an aggregate? They have done some good work on that, I agree. But it could change if the licensing changes. Is that a fair statement?

Mr. James Parkin: I don't know anything about the Taro situation. You're describing what sounds like a landfill site, which would have nothing to do with the Aggregate Resources Act. That would have been approved under the Environmental Assessment Act and—

Mr. Paul Miller: Well, it was a quarry, sir. It was a quarry.

Mr. James Parkin: If there was a landfill as an after-use, that would have been approved under a different piece of legislation.

Mr. Paul Miller: So they don't coordinate, is what you're saying. The ministries don't coordinate. Because that shouldn't have happened.

Mr. James Parkin: Whether you're proposing a subdivision on a pit or quarry, an agricultural use, or a landfill, you go through zoning. That zoning process and any provincial approvals that are also required on top of that, in the case of a landfill, are the checks and balance in deciding what after-use is appropriate. It is an interim use; there are always going to be after-uses and they have to be subject to effective controls and processes as well.

The Acting Chair (Mr. Michael Coteau): We'll go to the Liberal caucus.

Mrs. Liz Sandals: Thank you very much, Mr. Parkin, for your presentation. In the materials that you handed out to us, you gave us a couple of examples of successful rehab to agriculture of above-the-water-table pits. There are a number of examples of below-the-water-table rehabs where it has been turned back into sort of a wetland/naturalized park area.

I'm wondering what sort of rehabilitation you would recommend when you—somebody helpfully supplied this picture of the sort of thing that you get in Puslinch township, where you've got large tracts of adjacent below-the-water. Long-term, the problem that would face the municipality would be that what was once an agricultural area, if you rehabilitate it simply as wetlands,

you've long-term lost any economic development value. You've dramatically changed the long-term possibilities for the area. How would you look at rehab when you get into this sort of lacework of adjacent below-the-water-table pits?

Mr. James Parkin: I can find a handout on this and send it to the committee. One of the examples you might want to look at is Penrith Lakes in Australia. It reminds me of the Puslinch situation. There does need to be co-ordination. Some of these water bodies could perhaps be joined together. In Penrith Lakes, it ended up being the venue for Olympic rowing for the Sydney 2000 Olympics. That was something that had a high profile and probably has an economic advantage to it as well.

I also would say, I think there is some work going on in Puslinch in order to look at a suitable after-use for joining those lakes together and developing something that is an asset for the community. I'm familiar with—

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Mrs. Liz Sandals: Yes. Does that require changes to the aggregate act—

The Acting Chair (Mr. Michael Coteau): I'm going to have to move on. We only have 30 seconds left—

Mr. James Parkin: No.

The Acting Chair (Mr. Michael Coteau): I'm going to have to go to the PC caucus.

Ms. Sylvia Jones: Thank you, Chair. A couple of questions. Interim use: We hear often that aggregate extraction is an interim land use. What would you say or what would you recommend as a timeline for interim? For example, a proposed quarry has a 100-year lifespan. Is that interim use?

Mr. James Parkin: It is, because within the site the rehabilitation is progressive. I appreciate that in a person's lifetime, it's not interim; 100 years or 50 years or 20 years that somebody has picked for retirement in the countryside—it's not interim to that person. But as a resource use, it is interim, and progressively you're replacing it back to agricultural land or natural heritage within the lifespan. So there will be a piece of the property that is in aggregate production for 10 years, but then it's put back and it's put to another use while the rest of the site is used. It is interim in terms of the progressive aspect of it.

Putting time limits on licences is not a good idea. I have been involved in a couple of those that made sense in a unique situation. You don't have to change the act to allow that, but generally I think it would be a big mistake to end a pit's life when there's still material in the ground, where you've got the haul routes established; you've demonstrated that you can operate it without unreasonable effects on the community and on the environment. To say, "Okay, we're stopping and going somewhere else because your time is up," I think is just wrong.

The Acting Chair (Mr. Michael Coteau): Thank you very much. We've gone almost 17 minutes here. Thank you for your time. I appreciate it.

WATERLOO FEDERATION OF AGRICULTURE

The Acting Chair (Mr. Michael Coteau): Next up, we have the Waterloo Federation of Agriculture. Good afternoon and welcome. Ten minutes are allocated for your presentation and five minutes for questions shared between the three parties. You can start by stating your name. Thank you.

Mr. Mark Reusser: Good afternoon, ladies and gentlemen. My name is Mark Reusser. I'm here today representing the Waterloo Federation of Agriculture.

Not long ago, Waterloo Region Public Health, in co-operation with the Waterloo Federation of Agriculture, commissioned a study by Harry Cummings and Associates entitled *Growing Food and Economy*, an economic impact study of agriculture in Waterloo region.

Two significant findings emerged from this report. First, Waterloo region farmers had gross farm receipts per acre that were nearly triple the provincial average, just slightly less than those found in the wine-growing area of Niagara. Secondly, Waterloo region farms had net revenue per farm nearly double the provincial average. This study could arguably be used to justify the proposition that Waterloo region is the premier agricultural community in Ontario, outside of the wine-growing specialty crop area of Niagara. This study also highlighted the fact that the region is losing, on average, 2,000 acres of land per year to urbanization and, more significantly, to aggregate extraction.

For more than 40 years, the Waterloo Federation of Agriculture has focused on protecting farmland from urbanization. We like to think that we have played a significant role in ensuring that Waterloo region is one of the premier communities in all of North America in terms of its proactive efforts to intensify development and protect farmland for food production.

However, we, as farmers, as well as municipal planners, have neglected to recognize the threat to farmland posed by the fact that nearly one third of Waterloo region's farmland is either already identified as an aggregate resource or contains unmapped aggregate. Our collective ignorance ignores the fact that aggregate extraction may be an even greater threat to farmland and food production than is urbanization.

We, the Waterloo Federation of Agriculture, would like to share with you three reflections on the nature of our farmland resource and then suggest some amendments to the aggregates act.

In our opinion, farmland is a non-renewable natural resource in the sense that once it is utilized for extraction, it will never, ever again regain its previous productive capacity. Aggregate extraction on farmland results in the permanent destruction of that farmland. It took nearly 10,000 years since the last ice age for that soil profile to evolve. It can't be reformed in two weeks with a bulldozer.

We have no confidence and have seen no evidence that any retired extraction site has been or ever will be

rehabilitated back to any semblance of its original agricultural capacity. Even on those sites that have been “successfully rehabilitated,” the resultant quality, quantity and productive capacity of those sites are in no way equivalent to that of either the original land or the undisturbed land adjacent to the site. It just doesn’t happen. It’s not there. Thus, the long-term result of aggregate extraction is a permanent conversion of productive farmland to another use.

Secondly, farmland is a strategic resource. Only 6% of Ontario’s landmass is suitable for agriculture and only about half of that is class 1 through 4, or what we would describe as prime farmland. We already import two thirds of our food that we consume. Should we not be employing every possible effort to preserve our capacity to feed ourselves?

Thirdly, farmland is a perpetual resource. Aggregate extraction provides a one-time economic injection into the economy. Farmland, on the other hand, is like the gift that keeps on giving. Farmland in Waterloo has grown crops for over 200 years. Land in Europe has been in continuous production for thousands of years. There is no reason why farmland, if sustainably maintained, can’t produce food essentially forever.

In light of the above, we suggest the following changes to the provincial aggregates act:

(1) That aggregate extraction be prohibited on class 1 through 4 farmland and specialty cropland. We do not believe that destroying one resource—farmland—in order to utilize another—aggregate—is a responsible use of the province’s resources.

(2) Make the recycling of aggregates mandatory by prohibiting their use as landfill material either above or below the ground. This might require the modification of building codes and road-building specifications, etc. However, every tonne of concrete and asphalt that is recycled is a tonne that will not require the destruction of further farmland.

(3) All licences should have mandatory staged rehabilitation. This includes the ones that already exist. This would indicate that no new stage be opened until the previous stage has been 100% rehabilitated. Confirmation of that rehabilitation should be done by the Ministry of Agriculture and Food—no one else.

(4) When companies fail to rehabilitate or fail to rehabilitate back to a condition that is equivalent to the land’s original agricultural capacity, then a fee representing an average annual gross agricultural receipt equivalent to, say, 100 years of production should be paid to a third party who would use that money for rehabilitation. Obviously I just grabbed that figure out of the air, but if farmland can be productive forever, why not use 100 years?

An example of such an entity might be the Ontario Farmland Trust. How much might the fee be? The price of corn today is \$7.50 a bushel. Average yield per acre in Ontario is about 160 bushels per acre. That represents \$1,200 an acre. Twelve hundred dollars times 100 years

equals \$120,000 an acre in 2012 dollars. If one destroys something, should one not have to pay for it?

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(5) Lastly, all licences should be required to include an expiry date. Yes, they should. This province is rife with pits that are still deemed to be active by virtue of the fact that a single pile of gravel remains on the pit floor and a single truckload of gravel exits that pit every year. Therefore, no rehabilitation has occurred or needs to occur, according to the licence. There are also numerous examples of licences that have never been activated. In our opinion, the licence should be revoked if not used in a timely way.

In conclusion, we do not suffer from a shortage of aggregates in this province. The entire Canadian Shield is composed of rock, much of it relatively close to southern Ontario and suitable for aggregate. If it weren’t for the providence of the glacier dumping aggregate here 10,000 years ago, we would have found alternatives long ago. What we suffer from, instead, is an aversion to calculating the true long-term costs of aggregate extraction and the resulting destruction of farmland and food production for future generations.

Ladies and gentlemen, recommend changes to this act that reflect the fact that farmland is a non-renewable, strategic and perpetual resource. Thank you very much.

The Acting Chair (Mr. Michael Coteau): Thank you very much. We’ll start with the Liberal caucus.

Mr. Joe Dickson: Thank you, sir—well thought out. I have a question. First of all, I appreciate your comments on restoration and the authority to restore—something we touched on earlier—because I believe more jurisdiction needs to be provided to the municipal level or the governing body in that particular case.

My family came from Tipperary, Ireland, in 1846. They’ve been farmers all of their life, and maybe it was just when they wanted to impress me that they have said to me, “Properly done, coast to coast, Canada could feed the world.”

I’m not hearing that from you. Can you give me some direction on that, please?

Mr. Mark Reusser: I guess I’m not an expert on whether that, in fact, is true. It’s hard to tell. I can only use the facts that I know: that only 6% of Ontario’s landmass is suitable for agriculture, and only about half of that is prime farmland. So when one looks at the total landmass in Ontario, and I’ll only look at Ontario, there isn’t that much. Already we don’t feed ourselves. Should we? I believe we should, and we should preserve that resource, farmland, so that future generations here in Ontario can feed themselves.

Mr. Joe Dickson: I’ll tell them I talked to a real farmer.

The Acting Chair (Mr. Michael Coteau): Thank you very much. We’ll go to the PC caucus. Mr. Harris?

Mr. Michael Harris: Mark, thank you for your extensive presentation. You had mentioned that 2,000 acres were lost to both urbanization and aggregates extraction.

I'm not sure if you have a breakdown or a percentage of which part would be urbanization or to aggregates.

Mr. Mark Reusser: Let's see. That study was done a few years ago, and it was on average. I think it looked at the difference between the last two censuses. On average, 2,000 acres a year disappears somehow. As to what percentage is which, I don't have figures on that, but when I drive along Cedar Creek Road in North Dumfries township and I see that virtually every single farm on that road, all the way from the 401 to the city of Cambridge, is now a licensed pit and I look at the aggregate amount of that acreage, that's a lot of acreage.

Mr. Michael Harris: Just a follow-up as well: We actually visited a rehabilitation site this morning in Puslinch. Is your association working with any of the local producers on the rehabilitation side? I know rehabilitation has come up quite a bit. It is happening. Is your association working with any of them on that? I know you talked about class 1 to 4. I guess you consider it all prime farmland, 1 to 4, right?

Mr. Mark Reusser: Is our association working with aggregate companies—

Mr. Michael Harris: Yes, on the rehabilitation side, just locally.

Mr. Mark Reusser: No, but we would certainly encourage it to happen. What we find is that it rarely happens. Usually there's a change to the licence or to the site plan at some point, where, instead of being rehabilitated back to farmland, either nothing happens or it becomes something else other than farmland.

By no means do I want to disparage rehabilitating an expired pit back to something natural, because there's nothing wrong with that. However, when a licence says that it's to be rehabilitated back to farmland, then it should be.

I find—and I don't know why—that pits seem to be used very heavily for a period of time. Then usage declines until a point where there's very little left. I believe the owners don't want to relinquish the licence and they don't want to spend the money to rehabilitate. There's nothing there to force them to do it.

The Acting Chair (Mr. Michael Coteau): We'll go to the NDP caucus. MPP Campbell?

Ms. Sarah Campbell: Thank you for your presentation. I want to start off by saying that I agree with you that we need to protect prime farmland. There's no doubt that we need aggregate, but we need to do it in a sustainable way, in a way that is practical and looks towards the future to make sure that we have access to food, which is one of the main things that we need to live.

I agree that we need to get serious about recycling. I have no doubt that we need to maybe regulate the amount that industry or municipalities or other arms of the government use, but I'm wondering if you think that we should consider increasing levies. Again, my concern is municipalities and making sure that they're compensated for some of the wear and tear that's on their roads. Those costs have been downloaded and are ultimately borne by the municipalities. Do you have any thoughts on that?

Mr. Mark Reusser: It seems to me somewhat unfair that a private company can come and extract a resource and at the same time cause damage to roads and bridges and infrastructure owned by a township and the people of that township, and never have to compensate that township for what is done. That seems to me to be patently unfair. So at the very least, the municipalities should be compensated.

Ms. Sarah Campbell: Thank you.

The Acting Chair (Mr. Michael Coteau): Thank you very much.

GRAND RIVER CONSERVATION AUTHORITY

The Acting Chair (Mr. Michael Coteau): Next, we have the Grand River Conservation Authority. Welcome. You've probably heard me say this 10 times, so I won't say it. Just please state your name for the record and you can begin.

Mr. George Sousa: My name is George Sousa.

Ms. Nancy Davy: Good afternoon, Mr. Chair and members of the standing committee. Thank you for the opportunity to speak with you this afternoon about the review of the Aggregate Resources Act. My name is Nancy Davy. I'm the director of resource management with the Grand River Conservation Authority. George introduced himself.

The Grand River Conservation Authority is a partnership of 39 municipalities created to manage water and natural resources for the benefit of the 960,000 residents of the Grand River watershed. The watershed is approximately the size of Prince Edward Island and lies to the west of the GTA. The central portion of the watershed has high-quality gravel and sand deposits. That's generally the area of Guelph, Kitchener, Waterloo, Cambridge and Brantford and the surrounding townships. The moraines and outwash deposits that provide aggregate resources also function as important groundwater resource areas and recharge and discharge zones.

The Aggregate Resources Act requires a proponent to investigate the possible impact on the environment, especially water resources, from extraction below the water table. However, it does not state that the study of the cumulative impact should be completed when there are several below-water-table extraction operations in a relatively small area. Our concern is that the combined impact may actually be greater than the sum of the impact from the individual operations. That's why we think that, in these circumstances—several operations within one area—it's important to look at the cumulative impact.

That's also why we worked with the Ministry of Natural Resources, the Ministry of the Environment and the Ontario Stone, Sand & Gravel Association to develop a system to analyze cumulative impact in particularly sensitive areas of the Grand River watershed.

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Today I would like to speak about a paper developed with staff of MNR, OSSGA, MOE and the GRCA. This paper has a very long title. It's called Cumulative Effects Assessment (Water Quality and Quantity) Best Practices Paper for Below-Water Sand and Gravel Extraction Operations in Priority Subwatersheds in the Grand River Watershed, September 2010. As you can appreciate, I will refer to this document as the "best-practices paper" in my comments. A copy of this paper has been provided to you with my remarks today.

Before I outline the key components of the best-practices paper, I would like to set the context for its development.

In 2005, two municipalities in the Grand River watershed raised concerns to the GRCA board about the numerous existing and proposed aggregate licences for below-water-table extraction. They were concerned about the potential cumulative environmental impact of below-water-table extraction on their water resources and natural environment.

Conservation authority staff met with MNR, MOE and OSSGA to develop a plan that avoided issuing new or amending existing licences for aggregate extraction below the water table in the Grand River watershed until—and there were two items—a watershed-wide cumulative effects study was conducted, and, second, an aggregate extraction strategy was developed to minimize the impact on the watershed's water resources.

A working group was established to develop an approach for assessing the cumulative environmental effects of below-water-table extraction. The working group developed a set of guiding principles in 2007, followed by the best-practices paper. The draft paper was released for input from municipalities and the public in 2009. The paper was then finalized and supported by MNR, MOE, OSSGA and the GRCA in 2010.

The initial discussions focused on some key questions. There are five:

- Is the assessment of cumulative environmental effects a requirement under the Aggregate Resources Act or associated regulations or technical standards?

- What is "cumulative effect" and why does it matter?

- Does a study need to be done on the entire Grand River watershed, or are there specific areas that require more detailed assessment?

- What is the appropriate scale to study cumulative environmental effects?

- Lastly, how will cumulative effect be monitored and measured?

A purpose of the Aggregate Resources Act is "to minimize adverse impact on the environment in respect of aggregate operations." The more modern concept of assessing the cumulative effect of below-water-table extractions is not explicitly stated in the act, regulation or provincial standards.

The working group determined that there was not a requirement to assess the cumulative effect of an application. Therefore, the working group agreed that the im-

plementation of this best-practices paper would be voluntary. MNR and OSSGA have agreed to encourage applicants to implement the best-practices paper in priority subwatersheds.

With respect to the second question—what is "cumulative effect" and why does it matter?—the paper defines cumulative effects as "the combined environmental impacts or potential environmental impact of one or more development activities, including natural resource utilization or extraction, in a defined area over a particular time period."

Why does cumulative effect matter? The Grand River watershed faces many challenges in the years to come. Population growth, water supply, waste water assimilation, intensive agriculture, and climate change are all placing stress on the natural system, with implications for the continued health and prosperity of our communities. As I stated earlier, the combined impact of below-water-table extraction in a limited area may be greater than the individual operations. The significance of the effects should be assessed and, if required, plans developed to mitigate or avoid these impacts.

In the absence of the provincial technical standards or requirements, MNR, OSSGA, GRCA and MOE have provided a framework to address cumulative effects of below-water-table extraction through the best-practices paper. The next step in this collaborative process includes two working groups. These groups are addressing pre-consultation and data management in particular.

The aggregate act does not currently require pre-consultation. This working group is reviewing opportunities to improve the current process to enable and establish pre-consultation as a matter of course for applicants. If implemented in a timely manner, pre-consultation provides agencies and municipalities an opportunity to meet with the applicant to develop terms of reference for their technical studies so they can complete a satisfactory analysis of cumulative effect. This process would be similar to Planning Act applications where highly complex development applications may require detailed technical studies. This pre-consultation should occur one to two years before the submission of an application, prior to the initiation of any groundwater, surface water or environmental field studies.

The second committee is currently reviewing database models and collection standards. As you can appreciate, this is a highly complex process and will only be accomplished with a consistent and coordinated effort of the partners.

The Ministry of Natural Resources has committed to participating in this ongoing process, maintaining a common monitoring database for the priority subwatersheds and evaluating the cumulative impact assessment supplied by the applicant, among some other actions. It's recognized that this is a complex process that will require staff resources, and this may be a challenge for MNR. OSSGA has committed to communicating the content and merits of the paper to applicants and encouraging their members to conduct cumulative impact assessments

as part of their licence application or amendments to licences to go below the water table. The Ministry of Environment has committed to participating in the development of the data management strategy, and the Grand River Conservation Authority has committed to facilitating and participating in this ongoing process. We'll provide existing data. We've committed to reviewing the cumulative impact assessments and advising MNR about the significance of the cumulative effects of an application.

As stated at the outset, the Aggregate Resources Act, regulations and technical standards refer to minimizing adverse impact on the environment. Each licence for below-water-table extraction may demonstrate a minimal impact. However, the cumulative effect of several operations is not included in the current evaluation.

The Chair (Mr. Michael Coteau): You have one minute left.

Ms. Nancy Davy: I have three seconds.

The Chair (Mr. Michael Coteau): Excellent.

Ms. Nancy Davy: Clarification of the definition and scope of this section of the act would assist ministry and agency staff, applicants and the public with the technical requirements for a complete application for below-water-table extraction.

Thank you for the opportunity to speak with you today. We'd be pleased to answer any questions.

The Acting Chair (Mr. Michael Coteau): Thank you for your presentation. We'll start with the PC caucus.

Ms. Sylvia Jones: Thank you. When you talk about the pre-consultation, you make reference to pre-consultations that should occur one to two years before the submission of an application. We've heard from both proponents and opponents that the application process is too long now. I'm wondering if you have had any discussions or thoughts about how this pre-consultation would be incorporated and not simply extend a process that almost everybody agrees is too long already.

Ms. Nancy Davy: That's a good question. A couple of items for thought here: If we're going to have consistent data and be able to measure data from one licence to the next licence to the next licence, when they're collecting the data we have to have some discussion on when, where, how and what methodology they're going to use. One to two years, when you're speaking of the natural environment, is about the right time to do some monitoring over a period of time to get a baseline. It's pretty tough to measure the water table once and then carry on to a study. Generally speaking, applicants—I don't want to put words in their mouth, but they tell us that it takes at least a couple of years of monitoring to develop their reports that they submit with their application.

On the pre-consultation side, there could be some efficiencies if it was twinned up with the Planning Act applications. It is a requirement of the Planning Act to pre-consult now. There could be some opportunities to join those two processes.

Ms. Sylvia Jones: So it could be a layering as opposed to an extension.

Ms. Nancy Davy: Yes—a parallel process, at least on the pre-consultation and technical study, so that we're only asking them for one study that satisfies two purposes.

Ms. Sylvia Jones: Thank you.

The Acting Chair (Mr. Michael Coteau): NDP caucus. Mr. Miller.

Mr. Paul Miller: Good presentation. In your professional opinion, are there too many pits and quarries in the Grand River watershed?

Ms. Nancy Davy: Wow. Thank you for the question. It's a tough question. Like many of the other speakers, we recognize the need for aggregate. We build dams and dikes to control flooding and protect people from flooding. At this time, I think the cumulative effects paper discussions have led us to identify that we're at that point. We need to make sure that we are assessing these applications, especially for below-water-table, where they're clustered or they're grouped, to ensure that there isn't. So I don't have a really good answer for you.

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Mr. Paul Miller: Well, I guess my last question will be that I find that no matter how many consultations you have and no matter how many committees or review committees you form, the bottom line is, if the act doesn't change, nothing changes. So would it be safe to say that you are pushing for a change to the aggregate act, as well as the MOE, the Ministry of the Environment, to move forward with actual changes rather than talk?

Ms. Nancy Davy: Mr. Chairman—and thank you for the question—we've had some positive steps forward in the development of the best-practices paper. We really haven't had the opportunity—it is relatively new—to test it. So do there have to be changes? We're recommending that you consider cumulative effect of below-water-table, refining the definition—

Mr. Paul Miller: So that would be a yes?

Ms. Nancy Davy: Sure. Whatever the committee would like to do.

Mr. Paul Miller: Thank you.

The Acting Chair (Mr. Michael Coteau): I'll go to the government side. MPP Sandals.

Mrs. Liz Sandals: Thank you so much. For those of you who don't actually come from around here, all conservation authorities are not created equal, and we are very proud of GRCA. When it comes to groundwater, I think they probably know more about groundwater than anybody else I've ever run into.

When I started asking questions about cumulative impacts back a number of years ago, the work wasn't done yet, so everybody was having questions. I'm just doing cartwheels here—imagine cartwheels—to see how far you've gotten along in this work.

I think what I hear you saying is that you need a couple of things to happen. As my colleague over there said, we do need the aggregate act to recognize the need

to look at cumulative impacts on groundwater. I think I also heard, which is why Mr. Sousa is here, that we need to actually consciously be collecting the data, because if we don't consciously collect the data, then how are we going to know what the cumulative impact is?

Are both of those assumptions correct?

Ms. Nancy Davy: They're very good assumptions, yes.

Mrs. Liz Sandals: Okay. I guess, then, just thank you so much. I would hope, to all my colleagues, that you save this particular document that they have prepared on best practices and take it to heart, because I think we all recognize we need aggregate, but we do need to be looking carefully at cumulative impacts on the groundwater, because that's the one thing we can never, ever fix.

The Acting Chair (Mr. Michael Coteau): Thank you very much. Thank you for your time.

TOWNSHIP OF WOOLWICH

The Acting Chair (Mr. Michael Coteau): Next up, we have Mayor Todd Cowan. Welcome. As you've probably heard: a 10-minute presentation; five minutes for questions. Welcome, Your Worship.

Please state your names, and you can begin.

Mr. Todd Cowan: Great. Thank you. First of all, my name is Todd Cowan. I'm the mayor of Woolwich township, I'm a councillor with the region of Waterloo, and I'm also a board member on the GRCA, and thankful not to see Liz do a cartwheel. I think you did do that once before.

With me today is my CAO, David Brenneman, and also my director of planning and engineering, Dan Kennaley.

Thank you for coming to the K-W area and for taking this on the road. The township of Woolwich has just approved zoning for an expansion to a new gravel pit. It's currently dealing with four other applications for mineral aggregate extraction, and it anticipates a sixth application in the near future.

While the township acknowledges the need for gravel, we are concerned about the negative impacts that these applications do have on the residents of our township, especially given the proximity of some of these applications to the settlement areas.

In addition, we are very concerned about the difficulty and the expense of evaluating this large number of applications to ensure no unacceptable impacts, and of defending the results of these evaluations at the OMB.

As you're aware, the approval process for pits and quarries in Ontario generally involve two complementary processes. These two processes flow from the requirements for an application for a licence under the Aggregate Resources Act administered by the MNR, and also an application under the Planning Act administered by the municipalities. For many years, municipalities have been concerned with the imbalance between these two processes, whereby the Aggregate Resources Act dom-

inated to such an extent as to render the Planning Act process almost inconsequential.

Recently, there have been two important OMB decisions—the Aikensville decision in Puslinch township in January 2010 and the Rockfort quarry decision in Caledon in November 2010—which have created a new and much better balance between these two processes.

Most importantly, the township of Woolwich does not want to see the so-called strengthening of this ARA to come at the expense of a new and much better balance between the Aggregate Resources Act and the Planning Act. We have achieved more balance between these two acts; therefore, let's not regress through this ARA review process.

I'll hand it over to Mr. Kennaley just to outline a couple of our other points.

Mr. Dan Kennaley: Thank you, Mayor Cowan. In order to provide for the better evaluation and administration of mineral aggregate extraction in Ontario, the township of Woolwich asks that the following six steps be taken by the province.

(1) We would like the province to increase the taxes on mineral aggregates payable to municipalities to help offset the financial implications of mineral aggregate extraction, including the costs that municipalities are forced to pay in defending their positions with regard to these new applications at the Ontario Municipal Board. Municipalities, as the standing committee is well aware, currently receive taxes at a rate of 11 cents per tonne of aggregate extracted. In the case of the township of Woolwich, this has resulted in a five-year average of approximately \$37,000 per year.

In contrast, if the township is required to defend its position at the Ontario Municipal Board, a single mineral aggregate extraction application could cost the municipality approximately \$250,000 in legal and consultant costs. These OMB-related costs are in addition to the road and other infrastructure costs that flow from matters such as the use of township roads by traffic from mineral aggregate extraction operations. I might add that in the township of Woolwich, a 1% increase in our operating budget amounts to \$77,000, so you can imagine how much taxes would have to be raised in order to pay for just a single Ontario Municipal Board hearing involving a gravel pit.

(2) We would like to see a review of the enforcement of the Aggregate Resources Act site plan provisions with the aim of ensuring better compliance by operators of pits and quarries, and provide for public consultation within this review process. There are concerns that the system of largely self-regulation which mineral aggregate operations work under does not guarantee compliance by operators of pits and quarries with their conditions of approval. The residents of Woolwich do not trust the system. The Ontario Municipal Board, in a November 12, 2010, decision concerning the proposed Rockfort quarry in Caledon, indicated that the current resources allocated by the Ministry of Natural Resources to ensure compliance with the conditions of approval were not sufficient.

This system needs to be reviewed and provision for public consultation, again, needs to be part of that review.

(3) We would like to see the elimination of the ability, within the Aggregate Resources Act, for the minister to unilaterally change conditions on an Aggregate Resources Act site plan that have been requested by a municipality without the agreement of the municipality. One of the reasons that the residents of Woolwich are skeptical of the system for ensuring compliance by operators of pits and quarries with their conditions of approval is the current ability of the Minister of Natural Resources to unilaterally change conditions on an Aggregate Resources Act site plan. These conditions may have been established as a result of a request by a municipality on behalf of its residents. The Aggregate Resources Act should be changed so that the municipality and the residents are able to count on these sort of conditions.

I might add that this has led to discussion, for instance, of depth-of-extraction zoning or vertical zoning to get around this problem, as we see it, with the ability of the minister to unilaterally change conditions.

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(4) We'd like to see the establishment of minimum separation distances, and/or allow municipalities to establish minimum separation distances between proposed mineral aggregate extraction operations and settlement areas. Minimum separation distances exist for other types of heavy industry, and they should exist for mineral aggregate extraction operations as well. Much of the expense faced by municipalities in evaluating applications for mineral aggregate extraction operations and defending these evaluations at the Ontario Municipal Board would be eliminated if such minimum separation distances were established.

(5) We'd like to see the strengthening of rehabilitation requirements for mineral aggregate extraction operations, including tighter timelines for rehabilitation and through the use of maximum-disturbed-area provisions.

Many of the impacts of mineral aggregate extraction, including visual impacts and dust impacts, could be reduced if rehabilitation was done more quickly.

I'll turn it over to Mr. Brenneman at this point.

Mr. David Brenneman: The last step that the township of Woolwich feels is critical and will help to ensure that the real focus, as Mayor Cowan outlined earlier, is on a much better balance between the Aggregate Resources Act and the Planning Act, would be to establish a long-term multi-stakeholder strategy for more efficient management and conservation of mineral aggregate resources that would lead to a more collaborative approach to keeping new licence approvals commensurate with projected needs, and which would result in fewer expensive fights at the OMB over specific extraction applications.

We feel there has to be a better way to meet the need for mineral aggregate resources than the current one, which results in the residents of Ontario municipalities bearing the expense of evaluating applications for extraction and bearing the brunt of the impacts of mineral

aggregate extraction. We need to find a more collaborative approach and one where new applications are more commensurate with projected needs.

The review of the Aggregate Resources Act currently being undertaken by this committee should have been and could still be a major part of this collaborative approach. We certainly appreciate that these hearings have moved beyond Toronto. However, we are still concerned about what appears to be the seemingly narrow scope of the review, that the committee's members have not had a real opportunity to view a wide scope of gravel pits and sites where applications are in progress, and that this is beginning to taint the process somewhat.

The standing committee needs to address these concerns, the suggested improvements we have outlined, and ensure that the review of the Aggregate Resources Act is part of a collaborative approach to find a better way to evaluate and administer mineral aggregate resources extraction in Ontario.

The Acting Chair (Mr. Michael Coteau): You have just under a minute left for the presentation.

Mr. David Brenneman: Thank you for your time.

The Acting Chair (Mr. Michael Coteau): You guys are done? Okay, perfect. Thank you very much. We'll start with the NDP caucus.

Ms. Sarah Campbell: Thank you for your presentation. My questions are going to be about recycling. I think it's important that we move towards recycling. I'm wondering if the township of Woolwich currently uses any recycled materials in your projects.

Mr. Dan Kennaley: Yes, we do. Earlier today, I think it was Mr. Hunter—no, sorry; it wasn't Mr. Hunter. But earlier today one of the speakers was describing the peel-and-pave process on roads. We make extensive use of that technology, as do many of the municipalities in Waterloo region, for that matter. I might point out that it is a very good form of recycling because it all takes place right there. There aren't transportation costs, there's no cost associated with stockpile, and there's no impacts from stockpiles at some other location.

Just to make sure that the committee understands, certainly, I think there were comments this morning by Mr. Hunter that the township of Woolwich was opposed to recycling. I'd like to suggest, and I think the mayor would agree, that that is absolutely not the case. Not only do we peel and pave, but we're very much in favour of using recycled materials in all of our projects.

Ms. Sylvia Jones: What percentage? What's the percentage?

The Acting Chair (Mr. Michael Coteau): You'll have a question.

Ms. Sarah Campbell: What percentage?

The Acting Chair (Mr. Michael Coteau): There you go.

Mr. Dan Kennaley: I don't know offhand, no. I'm sorry; I don't know that figure.

Ms. Sarah Campbell: I have another really quick question. There are a lot of municipalities that aren't yet using recycled materials. What do you think—this is

speculation a bit on your part—some of the barriers are for other municipalities? Do you think the lack of compensation, as I have been asking today, about the use of roads and the wear and tear, is a factor? How could that be addressed?

Mr. Dan Kennaley: Yes, I think it is definitely a factor. We have to distinguish between use of recycled material in projects and where that recycling takes place. Gravel pits are established because that's where the resource is located. They don't have to be where recycling takes place. And if recycling is going to take place, then I think it has to be very carefully monitored and controlled. It also has to be part of the tax or levy process as well.

The Acting Chair (Mr. Michael Coteau): We'll go to the Liberal caucus.

Mr. Mike Colle: Yes, thank you very much; a very helpful presentation. I have many questions about everything. I guess the one interesting tangent you've taken, which I think is quite unique, from the others we've had—and, by the way, we've been visiting pits and quarries all over the province. We're going to the Manitoulin; we're going to Sudbury. No committee has ever done this before. I know we can't visit every pit and quarry—I think there are 10,000, or whatever there is—in the province, but we're at least trying.

The thing I want to ask you about is the strengthening of the Planning Act and the municipal part of the parallel process. I really think that that is an excellent tool that we may not be able to undertake as this committee, but we are making recommendations. Maybe one of the recommendations we could make is that you strengthen the Planning Act to where there is a greater, more meaningful, collaborative role by municipalities. This might take the pressure off of MNR, take the pressure off the municipal board and municipalities. Would you just explain that just a bit further?

Mr. Dan Kennaley: Yes. I think everybody recognizes that the Ministry of Natural Resources has a role to play with respect to ensuring that the extraction of mineral aggregate after a pit has been approved occurs in a proper fashion, although even there, I think there's a role for municipalities to play. But with respect to after the approval occurs, I would suggest that MNR's role is 80% and the municipality's role is about 20%.

However, when it comes to actually approving the location of gravel pits, then I think the role is almost reversed—maybe not completely reversed, but it's more like 60%. The municipalities, through the Planning Act, need to be 60% responsible for that; MNR, perhaps only 40%.

I think that, as we've suggested in our remarks, there is a balance to be achieved. Right now, as a result of those couple of board decisions, there actually is a pretty good balance between the Planning Act and the Aggregate Resources Act. But again, we wouldn't want to see the strengthening of the Aggregate Resources Act come at the expense of that balance.

The Acting Chair (Mr. Michael Coteau): I'm going to move to the PC caucus.

Mr. Michael Harris: Thank you, gentlemen, for your presentation. I will note for the record that these three gentlemen come from one of the top three townships in the province, so thank you for being here.

My question pertains—and I think it's important for this committee. You referenced the increase in taxes or the levy, which is currently at 11 cents per tonne, I believe. For the committee, what would be your recommendation in terms of an increase? What do you feel is a suitable fee?

Mr. Todd Cowan: Probably \$50, but that's not going to wash. Realistically, even if we looked at a dollar—

Interjection.

Mr. Todd Cowan: Fifty cents. Even if we looked at a dollar, that would at least be a move in the proper direction. But still, if you're just looking at the use of roads and the wear and tear on roads, that's going to barely cover it, not even looking at OMB hearings. But probably a dollar.

Mr. Michael Harris: All right. Thanks.

The Acting Chair (Mr. Michael Coteau): Thank you for your time, gentlemen.

Mr. Todd Cowan: Thank you.

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ONTARIO ASSOCIATION OF CERTIFIED ENGINEERING TECHNICIANS AND TECHNOLOGISTS

The Acting Chair (Mr. Michael Coteau): Next up, we have Gordon Masters. Good afternoon, sir. It's a 10-minute presentation; five minutes for questions. Please state your name—well, we know your name; there's only one of you. Mr. Masters, please proceed.

Mr. Gordon Masters: Thank you. Yes; Gordon Masters. I used to be Mr. Dickson's neighbour, but you don't remember that, I bet. Anyway, that was a long time ago.

I represent the Ontario Association of Certified Engineering Technicians and Technologists. It's the professional organization for the engineering technicians and technologists in Ontario. We have about 24,000 members. It's a not-for-profit organization, a self-governing professional association with all the normal requirements: a complaints committee, an appeals committee and a discipline committee.

The association has protected designations that they certify. If I could just mention them to you: certified engineering technologist, with the acronym CET; applied science technologist, A.Sc.T; and certified technician, C.Tech.

What I'm here today to request and would like to work with you on is to ensure that our members who are qualified in this area with the Aggregate Resources Act have the opportunity to be recognized in their field. I'd like to go on and just say that OACETT is involved with all the colleges in Ontario. Their technician and technology

programs are what qualify those people, with their educational program, to become members of OACETT. In the case of technologists, it's a minimum of three years, with work experience beyond that, plus professional exams after that. For the certified technician, it's a two-year program with experience as well, and also a professional exam that must be written.

I believe those members currently aren't what you call "qualified" persons under the class A site plan. We're asking to work with you to see if we can come up with a review to have those members qualified, particularly the ones who are working in the field and have done so for many years. It may not matter to you, but I know that the BC act qualifies the members out there with the same qualifications—so just wondering again if it could be reviewed. I know the government loves to have people who are qualified not have to go through a lot of hoops and hurdles. Whatever it takes, we'd at least like to have it looked at.

Just to give you an idea of a success story that OACETT has, we have a road construction administration program that's administered by MTO, and we've had it for a number of years—I think, 12 or 13. It has been very successful in regard to road construction. I know that inspectors and administrators speak very highly of it, and we're quite proud of the way it works.

We also have "qualified person" status under the Electrical Safety Authority; also under the well water act. I just want to bring forward that with the studies that our people do at the college and post-secondary institutions, they've covered a lot of material in this regard, and I've had it confirmed by the registrar that that is the case.

I did hand out some material. Instead of trying to explain everything, I thought it would be easier if you had it to look at. It does profile what the technologist and technician positions cover. It also shows you the designations at the bottom of that first page, without me trying to go through them all. Also, I've given you a very brief outline with a couple of pamphlets, one being the road construction designation program. As I mentioned, it works very well. The MTO is very happy with it as well and they speak highly of it.

The only other thing I've supplied is what OACETT is all about. I know it's a long acronym. People hate acronyms, but it does cover what this association is. That's a one-pager, again, without me talking too much about it. We talk about what we want from the Ontario government. While there are a couple of things, it's basically that our members are recognized, the engineering technicians and technologists, and the work that they do.

That's all I wanted to present today. I'm probably under 10 minutes. Somebody else can have my time if they need it.

The Acting Chair (Mr. Michael Coteau): It's five minutes and six seconds. Thank you very much, Mr. Masters. We'll start with the Liberal caucus.

Mr. Mike Colle: I am familiar with the OACETT. I know that you have a great program at Mohawk College and that you really are a gateway for a lot of new Can-

adians who are unable to get into engineering, but they can get their certification through your association and they have a very high employment rate.

I'm not quite sure what you're specifically asking us in this aggregate review committee to do or to recommend or be aware of. Could you just repeat that a bit more clearly?

Mr. Gordon Masters: Yes. I have to admit that not all the engineering technicians and technologists are involved in the field, but for those who are, we would like to have them recognized so that they have the qualifications for preparing the class A site plan. That might be done by—first of all, you may want to review or somebody might want to review the curriculum of the programs in all of the colleges. We have that information available anyway; also with reference letters, for example, from supervisors and others that would show that these people are qualified and the type of work they have done. We feel there could be a process to streamline it and not be going through—

Mr. Mike Colle: So a lot of your members could do some of the work involved with site plan approval, rehabilitation, and right now they're not qualified to do so or not recognized to be able to sign off on documents or—

Mr. Gordon Masters: I understand they can do a process where they have to go and seek approval from the Minister of Natural Resources, which is a process they have to go through now. I was just wanting to try to have those who are qualified able to streamline into it a little quicker.

Mr. Mike Colle: Okay. Thank you, sir.

The Acting Chair (Mr. Michael Coteau): Thank you. We'll go to the PC caucus.

Mr. Rob Leone: Thank you very much for the presentation. I certainly am interested in the whole educational component leading into work and so on.

My question for you would be, since we are talking about the extraction of aggregates in particular, could you outline perhaps some of the skills that your members would have in terms of limiting or streamlining or making the process more efficient such that some of the impacts that we're facing with aggregate extraction might be reduced? I think it would be helpful for the committee to understand what kinds of skills, other than the ones you've listed here in the pamphlet, would be beneficial to companies that actually are extracting aggregate and to minimize those effects. That's the first question.

The second question is—which is another interest of mine, perhaps not related specifically to the ARA review—how are your members who are graduating from universities and colleges finding work, and if you have any statistics on that.

Mr. Gordon Masters: I didn't bring the statistics with me. We have a national program of placing people and I don't think I brought that pamphlet with me. It's one of the areas that there's a lot of required—I think a good percentage of our people are working, because it's hands-on and they do their training through colleges. I

know that university people don't want to hear this, but sometimes the college graduates are ready to hit the road running when they start working, and I think these members—because there's work experience involved to get the CET and the other designations, they have had two or three or more years of experience to do that, so they're ready and available to work. I understand that down the road there's going to be a shortage in these areas. OACETT has a good prior learning assessment for people coming in from other countries, and the fairness commissioner has praised OACETT for the transparency and the processes we're going through to do that.

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I have to apologize on the other question because I'm actually a certified general accountant and I don't think I've ever been in a pit. So I apologize for the—

Interjection.

Mr. Gordon Masters: I apologize. I just am not able to go any deeper in that. I could certainly find out and have someone in that area do that.

The Acting Chair (Mr. Michael Coteau): Thank you. We'll go to the NDP caucus. Mr. Miller.

Mr. Paul Miller: I just wanted to let you know that I have the highest respect for engineers and also the technicians. Some of those graduates are very sharp and they certainly would be beneficial to our communities and our overall situation.

However, I'm not sure this is the right venue for your presentation. If it was me, I'd be going after the Ministry of Education to get the qualifications up. I'd be talking to the association of engineers so they would recognize some of your people to do some of the tasks that they may be able to give them to do. I also think that you might want to talk to the newly formed College of Trades. That might be the avenue that I would take. I'm not quite sure that this is the proper venue for what you're doing. But I understand you're promoting your organization, and that's good. I certainly want all those young people to be gainfully employed, because it helps the economy as well. I wish you all the best, but I'm not sure this is the right group.

Mr. Gordon Masters: We have talked to those other groups a little bit. Thank you very much for that.

The Acting Chair (Mr. Michael Coteau): Thank you for your time, sir.

WEST MONTROSE RESIDENTS' ASSOCIATION (BRIDGEKEEPERS)

The Acting Chair (Mr. Michael Coteau): Next up we have the West Montrose Residents' Association, the BridgeKeepers. Welcome, sir. If you can just state your name—I have two listed here—but if you can state your name. It's 10 minutes for your presentation; five minutes for questions. Thank you.

Mr. Hans Pottkamper: My name is Hans Pottkamper. I'm here on behalf of the West Montrose Residents' Association, also known as the Bridge-

Keepers. One of our legacies that we're trying to protect is the covered bridge and its surroundings, its settings.

The current aggregate policies and procedures in Ontario need major amendment to relieve the huge burden currently placed on municipalities and taxpayers. Further, lack of resources has created minimal oversight by MNR, including approval of many aggregate operations with unacceptable adverse impacts. We would like to outline these issues and also offer proposals to rectify the situation.

Getting back to fundamentals, let's address three simple questions: What is MNR's mandate as it relates to the management of aggregate resources? Is the MNR fulfilling its mandate? If not, how do we address these shortcomings?

To address the first point, the purpose of the Aggregate Resources Act, per MNR's website, is "to provide for the management of the aggregate resources of Ontario." This management role of MNR and the ARA applies to two phases of aggregate operations: (1) the review, consideration and decision-making regarding aggregate licensing prior to operation, and (2) monitoring and enforcement once the pit or quarry is operational.

We would like to address the first phase. Clearly, if an inappropriate licence is approved, no amount of monitoring and enforcement can rectify shortcomings in the application.

Mr. Ray Pichette stated before this committee that MNR checks applications for new aggregate operations only for completeness, not for content. MNR receives applications, which include numerous reports and studies, all of which can have profound and permanent implications for local communities, farms, municipalities and the environment.

Does MNR read these reports? No. Does MNR require peer reviews of these reports to confirm accuracy and thoroughness of content? No. What does MNR do? They check for completeness. If they have all of the required reports, they assign a licence number to the application and set it aside pending zoning approval or denial by the municipality. In effect, MNR uses a check-box system. As long as each box is checked, regardless of the quality of the reports, the licence application receives a presumptive MNR approval.

At this point in the process, MNR downloads all responsibility to the local municipality. The onus falls on that municipality and local taxpayers to review the reports and studies, undertake and fund peer reviews, obtain legal counsel and then decide whether to support or oppose. This phase of consideration alone can cost the municipality and taxpayers' groups hundreds of thousands of dollars each. So responsibility is downloaded from MNR to the lowest-tier municipality, frequently one with only a few thousand residents and very limited resources.

What happens if the municipality determines that the application should be denied? Mr. Pichette says that MNR has two options when a zoning decision comes back to them: MNR can approve the licence or MNR can

refer the application to the OMB. MNR, apparently, cannot decline an application.

Almost invariably, if zoning is denied, the proponent appeals to the OMB. If the municipality and ratepayers' groups decide to continue, they also go to the OMB. If the application is deemed incomplete by MNR or there are outstanding objections, they also refer to the OMB, dragging the municipality and residents along for a very expensive ride.

MNR is a ministry whose mandate supposedly is to make decisions on applications, yet the ministry makes no decisions. They either say yes, based on a checklist, or they defer to the OMB to make the decision for them. They do not decline.

Was the objective of the Aggregate Resources Act to have a totally unrelated body, the Ontario Municipal Board, make decisions for them? We suspect not.

Management involves considering information and making decisions. If MNR is making no decisions, they clearly are not managing our aggregate resources. Therefore, we conclude that with respect to the approval of new pit applications, MNR is not fulfilling its mandate under the ARA "to provide for the management of the aggregate resources of Ontario..."

Clearly, the status quo is not working. Unfortunately, most municipalities and their residents simply can't afford to oppose bad applications. Without opposition, bad pits and quarries stand to be approved by MNR. If ratepayers' groups had not invested hundreds of thousands of dollars in each case to contest Aikensville and Rockford, those applications would undoubtedly have been approved by MNR.

Therefore, we're faced with a problem: If the MNR is not fulfilling their mandate under the ARA to make decisions, and if municipalities and ratepayers' groups cannot afford to oppose bad pit applications, how can we ensure that only good pit applications are approved?

There are two possible strategies, which need not be exclusive.

(1) MNR should implement its mandate under the ARA to decide on aggregate licence applications, and decline if appropriate. This strategy would require that the ministry should have the resources to contract external reviews of applications and to provide staffing to make decisions based on these reviews.

(2) The resources needed to consider and oppose unacceptable zoning applications should be provided to municipalities, residents and/or ratepayers' groups.

If we assume that MNR is required to actively manage applications, we have some recommendations.

MNR should conduct a preliminary review of a licence application before the zoning application is allowed to proceed to the municipality. If this review uncovers inadequacies, MNR should deny the application until these inadequacies are resolved. A further recommendation is that we must provide funding to MNR to finance staff required to conduct preliminary reviews of applications and further reviews in cases of outstanding objections and/or municipal zoning denials.

Secondly, we need to provide resources to municipalities and ratepayers to review applications. Our recommendation is that we provide funding directly to municipalities to offset costs incurred in dealing with aggregate zoning applications, including the cost of peer reviews, staff costs for processing applications, costs incurred in making representations at OMB hearings, and infrastructure costs resulting from aggregate operations.

By the way, we didn't co-operate with the township in writing this one up.

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A further recommendation is to consider provide intervenor funding to residents and groups who offer legitimate opposition to questionable zoning applications. Such funding was mandated by the province of Ontario in 1985 through the Intervenor Funding Project Act. Despite support from the public and industry, the act was simply allowed to expire in 1996.

Finally, how could these initiatives be funded? You've heard this one before. In Ontario, the external costs of aggregate extractions are unfairly and inappropriately borne by residents and taxpayers. Ontario's aggregate levies are far lower than many other jurisdictions in North America and Europe. Compare our current rate of 11-and-a-half cents per tonne to Quebec's levy in the range of 45 cents per tonne, or the United Kingdom's rate of roughly three-and-a-half dollars per tonne. Ontario's aggregate levies should be raised significantly, with the proceeds available to MNR, impacted municipalities and legitimate opposition groups. Keep in mind that those opposition groups have to pay with after-tax dollars. It's not a tax-deductible expense.

In conclusion, the current MNR practice of referring all pit applications opposed by municipalities or ratepayer groups to the OMB, even when the objections are legitimate or concern errors on the part of the applicants, creates an unacceptable situation. It cannot be the intent of the ARA that only those applications that are opposed by municipalities, agencies or individuals with huge financial resources be subject to proper oversight and potential denial.

We recommend changes to both the text of the ARA and the operating practices of the MNR which make it clear that the ministry has a mandate to review new pit applications and deny those that are inappropriate. We further request that the ministry be provided with funds to fulfill this mandate. We also recommend that funding be provided to municipalities and ratepayer groups to aid in the review and opposition of inappropriate pit applications.

Ladies and gentlemen, you have a very special opportunity to make a difference. You can effect much-needed improvements in the ARA and MNR processes. Please support these changes.

The Acting Chair (Mr. Michael Coteau): That was exactly 10 minutes. You were one second over. That was great.

Mr. Hans Pottkamper: I practised in front of a mirror.

The Acting Chair (Mr. Michael Coteau): We'll start with the PC caucus.

Mr. Michael Harris: Thanks. Hans is a banker, so he doesn't go over or under.

Hans, thank you for that thorough presentation. I'd like you to comment from your experience on the public consultation process and what your thoughts are, particularly on that part of it when it comes to an application, from a group's perspective.

Mr. Hans Pottkamper: The public consultation process needs to be more meaningful. In the one I've been exposed to, the aggregate company basically brushed off the bulk of what was said to them and came back with platitudes through a third party contractor that wrote stuff for them. I think there has to be something more meaningful with some direct involvement by MNR and the local municipality.

Mr. Michael Harris: All right. Thank you.

The Acting Chair (Mr. Michael Coteau): Okay.

Ms. Sarah Campbell: Also on the public consultation process: If you could make any changes to the public consultation process, what changes would you make and what would that new process look like?

Mr. Hans Pottkamper: Again, it goes back to changing the ARA and the MNR's processes. I would like to see the MNR directly involved and MNR take charge of dealing with legitimate issues raised by the residents. I realize that there's NIMBYism involved in many cases, but there are legitimate issues regarding health and safety, traffic and, in our case, particularly the Old Order Mennonite community, who will not speak out in their own defence. I think there has to be a process by a government agency with the right mandate to make sure that those issues are dealt with properly.

Ms. Sarah Campbell: Thank you.

The Acting Chair (Mr. Michael Coteau): We'll go to the Liberal caucus.

Mr. Mike Colle: Thank you very much for the very frank and eye-opening presentation. It's very helpful.

The question I have is, I know you're emphasizing intervenor funding, which the Harris government got rid of in 1996. I don't know if I'm a fan of going back there, because do we really want to put residents like yourself and all the municipalities and interested parties through this long, long process, whether it's funded by the government or not. Shouldn't we try and find some key ways of removing those long processes and replacing them with a process where MNR has some teeth and makes some decisions, because, as you put very clearly, MNR seems to be always deferring to the OMB, and the OMB is maybe taking over the role of the MNR. So what can we do to give MNR some teeth so that they don't always find it much more convenient—I'll use that word in context—to defer to the OMB? How can we get MNR to make the decisions that protect the integrity of the environment and the integrity of the community?

Mr. Hans Pottkamper: That's a tough one. I think, first of all, it has to be a transparent process, whatever process you come up with, that the public can have some

trust in. I think that, secondly, it has to involve the local municipality, because they are directly accountable to the taxpayer. Thirdly, it has to involve the residents of those communities. We have townships out there with 2,000 residents. They can't afford to fight.

Mr. Mike Colle: Yes, the OMB is costly.

Mr. Hans Pottkamper: If you feel intervenor funding is too complex a process, then give the resources to the municipalities and give them a say in the process as the representative of their residents, but make it a very transparent, clear process that involves the MNR and gives the MNR a very clear mandate, because MNR's mandate seems to have shifted over the years. If you read the ARA and look at current practices, there's quite a disconnect.

Mr. Mike Colle: Thank you very much.

Mr. Hans Pottkamper: By the way, I have a tour, should somebody wish to go on it.

The Acting Chair (Mr. Michael Coteau): Thank you very much, sir.

CAMBRIDGE AGGREGATES

The Acting Chair (Mr. Michael Coteau): Next up we have Ken Zimmerman. Welcome. Ten minutes; five minutes of questions. You can start.

Mr. Ken Zimmerman: Great. Good afternoon. My name is Ken Zimmerman. I am with Cambridge Aggregates. We're based out of the Cambridge and township of North Dumfries area. Cambridge Aggregates is one of the many producers who serve the local construction industry as well as the western GTA from our sites in the region of Waterloo. Earlier today, Rick Esbaugh of Tri City Materials outlined the importance of the aggregate industry in this area. I am sure that you've already heard many facts on the importance of the industry to the province. We understand that we're not a popular industry to some, but we also know that we are essential in so many ways that influence our day-to-day lives.

As Cambridge Aggregates, we can offer a slightly different perspective in that the company is a partnership between a vertically integrated company who is in the cement, aggregate and ready-mix concrete business, and it's also a partner with a local family business. Our main focus is high-quality concrete aggregates for ready-mix concrete, which is used for many local construction projects including hospitals, bridges, roads and buildings. Most of these structures are within an hour or so drive of the Cambridge area. Recently, our aggregates were even used for parts of the concrete in the Toronto subway extension.

As an operator in the province and more specifically in the region of Waterloo, our lives at Cambridge Aggregates are highly influenced by the ARA and its regulations and standards on a daily basis. I would like to touch on a few things that have been raised through the committee's hearings over the last few weeks.

There has been much discussion about the concept of having a time limit on licences. We are not sure why this

is being suggested as a legislative change that would solve current problems, because it is widely viewed by industry as a red herring. The amount of time that a pit or quarry is open is completely dependent on the state of the economy and the construction industry in the local area. Having a time frame on a licence will not ensure that the owner sells his products more quickly. How can products be sold if construction projects do not exist? Similarly, why would a customer pay the extra money to transport construction aggregate products from a pit or quarry that is 20 kilometres further from market than a source close to where the construction project is being built? Having a close-to-market policy at the provincial level ensures that natural resources are consumed in an orderly process; those closest to market are consumed first and sources further away are developed and studied for future extraction.

Perhaps the issue of the amount of time a licence is in operation is more closely related to the ability of operators to communicate effectively with their neighbours and local government. It is a realistic expectation that communities would have regular opportunities to dialogue with local aggregate producers to chart the progress of extraction in the operation.

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On the other hand, it's not realistic that communities expect that time frames on operations can be set far into the future. Cambridge Aggregates supplies sand and stone to many different construction projects, and we can assure you that the sales of these products fluctuate based solely on demand for the product. The committee should keep in mind that we supply the demand for aggregate products, but we do not create that demand; the residents of Ontario do.

We are not opposed to the review of the Aggregate Resources Act. Many of the industry's critics have suggested that the ARA is broken and needs to be changed significantly. I disagree with this statement. In my opinion, the licensing process in Ontario is regarded as highly effective, environmentally sound, and has set the bar very high. I can speak from first-hand experience. Licensing a property here in Ontario is time-consuming, very expensive, and includes significant public interaction and opportunity for discussion. We believe that the ARA has served the provincial interest well since its inception in 1990. Why, then, everyone is asking, is everyone dissatisfied with the process?

The ARA was last reviewed in 1997. Is there room for improvement and tweaks? Absolutely. In our opinion, the ARA review would be a success if it results in a more transparent and efficient pit and quarry approval process. This will benefit not only the producers but also the host community and concerned neighbours. The current process has become too uncertain and too costly. Depending on the complexity of the site, it can be a five- to 10-year process. This discourages investment in Ontario.

It would also be a success if the aggregate program at MNR receives more resources. Could they have more tools in their toolbox? The challenge with the ARA as it

exists today is not the act itself, but the fact that there are limited funds in the provincial government, especially the Ministry of Natural Resources, to implement the act as it was written. Any piece of legislation is susceptible to failure if the government body that implements it does not provide enough funding and staffing to make it run efficiently.

The current ARA contains clauses that give aggregate inspectors the right to suspend operations quickly if site-specific operational issues are not being adhered to. This is a strong incentive for producers to know the rules and regulations and follow them. But if MNR does not have the inspectors required to follow up on this strict legislation, then it gives the appearance that the act is flawed. Maybe the funding is flawed? The committee can ensure positive change more quickly by demanding an adequately funded and implemented ARA than it can by changing parts of the act that actually work.

Lastly, it is essential that the province remain responsible for regulation and control of pits and quarries. If this responsibility is downloaded to local municipalities, the predictable outcome will be a shortage of aggregate resources as local municipalities take the position that they've already provided their fair share. As an industry, we must go where the resource exists. Similar to the demand for aggregate, we do not control the location of the resource.

The municipalities have an important role in the operation and licensing of a site. The industry needs sound and consistent planning, with good environmental protection. What we do not need as an industry is more layers of government, especially if there is a lack of consensus, consistency or well-defined roles and areas of responsibilities across the municipalities and the province.

The hardest part about managing our aggregate resources appropriately is that it takes place over a very long period of time. That is why I am here today on behalf of Cambridge Aggregates to urge the committee to carefully consider Ontario's long history of solid, provincially based legislation that has provided sound resource management in an economically sound province. We, as a company, count on the sound principles of the ARA being continued and improved.

Thanks for your time today.

The Acting Chair (Mr. Michael Coteau): Thank you, Mr. Zimmerman. We'll start with the NDP caucus.

Mr. Paul Miller: Thank you, Mr. Zimmerman, for your submission. I've got a couple of questions. Would your company be into recycling at all? Have you done any of that? Are you interested in doing that?

Mr. Ken Zimmerman: We haven't yet. We're relatively new in the area, but we are interested in doing recycling, yes.

Mr. Paul Miller: Okay. I think one of the themes today was remediation timelines. Would it be reasonable to think that your company or any new company would know the length of your pit, how much you can extract, how much aggregate is there? And you could probably narrow it down to one or two years—where you think

you've got left. Would it be fair to say that you could start your remediation programs a lot sooner than has been stated by many people who have come up here, and keep a handle on that? Also, finally, would you be opposed to increased inspections by inspectors?

Mr. Ken Zimmerman: I'll do the last one because that's straightforward and top of mind: Absolutely. If there are more inspections, that can only be good for the industry.

Mr. Paul Miller: Okay. And the other two?

Mr. Ken Zimmerman: The other two—within one to two years, I think, if you knew where the economy was going and where it's been. I'm not sure who, back in 2007 and 2008, could see that coming and could tell us that we were going to be in for the next five years. We've been very fortunate in Canada and Ontario, when you think about our partners and neighbours to the south and the rest of the world.

Mr. Paul Miller: I think it would be just more or less averaging what your output is for the year and, if it stayed on that level, you could get an idea—

Mr. Ken Zimmerman: You could get within a range.

Mr. Paul Miller: Within a range, is all I'm saying.

Mr. Ken Zimmerman: Yes, yes.

Mr. Paul Miller: And that's why I'm saying that you would probably have the ability to start a remediation program a lot sooner than most places do now, because I've heard it mentioned that many pits have got one load of stone sitting in the middle and they never start it because they keep digging one load out a year. So it never gets done, is what I'm saying.

Would you be opposed to companies having a submission-of-remediation program on timelines that are reasonable for you and the ministry?

Mr. Ken Zimmerman: I'd like to hope that these pits with one load of gravel would be the exception to the rule. I think in general there are many good operators in the province, and many of us are doing rehabilitation as soon as we can. We understand the value and the importance of rehabilitation—

Mr. Paul Miller: But I can't leave it up to the companies. I would want it to be in the act.

Mr. Ken Zimmerman: Yes, absolutely. Rehabilitation is in the act; progressive rehabilitation.

Mr. Paul Miller: Okay, thanks.

The Acting Chair (Mr. Michael Coteau): Thank you. I'm going to go to the Liberal caucus.

Mrs. Liz Sandals: Yes, thank you. We seem to have had a lot of discussion about the idea of a time-limited licence. I understand what you're saying about the economy being unpredictable, so that's very hard to get at. I'm aware of at least some instances where quarries are working on a very old licence. I can think of one where it's 100 years old, and it goes for a while—you know, they were active when I was a kid; it went dormant for a decade. It starts up again; it goes dormant; it starts up again. And it isn't just a pile of rock in the middle; it's now being very actively quarried.

My concern with that is, obviously, what was allowed 100 years ago isn't necessarily what you would have granted a licence for today. How do you address, on a very long-lived quarry, some sort of a re-review of what the conditions are, given that if you've got a very long life, the scientific knowledge by which you evaluate may change?

Mr. Ken Zimmerman: These long-term quarries you're referring to would have been reviewed in 1990 and 1997. Site plans were created and updated at that point, so there shouldn't be anything that's going by very, very old rules. For newer operations, of course, there are many more pages to a site plan than there were, say, 20 years ago and 30 years ago.

The old quarries have come up to a level—they're probably not at the level of maybe some of the newer sites in Ontario with the process and how we are changing as a society. I think some of that gets changed when you go through any type of major amendment; you'll have some different parameters added to your site plan at that time.

Mrs. Liz Sandals: Thank you.

The Acting Chair (Mr. Michael Coteau): Thank you. PC caucus.

Mr. Rob Leone: Thank you, Mr. Zimmerman, for coming today. I'm going to follow up on Ms. Sandals's question with the time limit on the pit.

You mentioned that one of the issues might be the fact that existing pits aren't effectively communicating with their neighbours, or "more directly" with their neighbours, I think, is how you mentioned that. Could you perhaps elaborate on that a little bit and offer any best practices that you might have with respect to the communication aspect? Certainly there's an impression that some of these pits go dormant and therefore they're done, yet they start again a couple of years later or a few years down the road. I'm interested in how this communication piece might be effectively deployed, particularly with respect to the neighbours that are directly surrounding these pits.

Mr. Ken Zimmerman: Of course, communication is good in practically any form that is available to you. Cambridge has come a long way over the last 10 to 15 years in terms of open houses and open-door policies, tours of the facilities, just general low-key discussions with neighbours whenever you can promote them. A newsletter is another way of doing it. It could be, like I say, open houses, newsletters, offering opportunities for tours. On the other end of that is having people take advantage of that and actually coming out and sharing their experiences with us.

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Mr. Rob Leone: How often do you think that happens with yourself or with your competitors, so to speak? Is it a practice that is often utilized or is it something that you think the industry might be better just adopting as a general practice?

Mr. Ken Zimmerman: On the bigger scale, I think the larger companies are doing it, some of them on a

yearly basis, every couple of years or two or three years. It also depends on the size of your site, too. You might not have a lot to share, a lot to show. Maybe not much has changed over a two- or three-year process. But it is something that I think as an industry, yes, should be promoted. There's certainly a benefit. The more you communicate, the better off we're all going to be.

The Acting Chair (Mr. Michael Coteau): Thank you very much.

STEED AND EVANS LTD.

The Acting Chair (Mr. Michael Coteau): Next up we have Steed and Evans Ltd.: Malcolm Matheson. Welcome. You have 10 minutes for your presentation and five minutes for questions. Please begin.

Mr. Malcolm Matheson: Good afternoon. My name is Malcolm Matheson. I'm the president and owner of Steed and Evans Ltd. We're 60 years in business next year.

We're a full-service road building contractor. We build sewers and water mains, do excavating and grading, build concrete curbs and sidewalks, and do asphalt paving. We have asphalt plants and aggregate operations. We have a large wash plant and we recycle, frankly, everything we can get our hands on. We're also a member of ARO. One of our former sites is a bronze plaque award winner for rehabilitation.

I'm a professional engineer and a past chairman of what is now the OSSGA, and I've served on the board of directors there for 14 years. I'm here representing the aggregate industry and my company.

I'd like to concentrate on three key messages to you today. First, the cornerstone of the province's policy regarding aggregates is that they should be made available close to market. The Environmental Commissioner has suggested to you that we might need to get rid of the close-to-market principle. Mr. Miller said that it might have made sense in the past, but now that more people were living in the countryside, it no longer makes sense because more people are impacted by pits and quarries.

We respectfully disagree with Mr. Miller. The province has had a long-standing policy that rural areas are resource areas, and urban areas are where people are directed to build their homes. This principle was first enunciated in 1978 with the Foodland guidelines and more recently in the growth plan, which establishes intensification targets and hard edges for settlements.

Mr. Miller is just plain wrong to suggest that people living in the countryside should sterilize aggregate resources close to market. If Mr. Miller's logic were sound, we'd also be advocating that people living in the countryside should have the right to shut down legitimate farming operations due to issues from farm machinery noise, the dust they create and the spreading of manure. We all agree that such action isn't appropriate, so why should it be appropriate for aggregate operations? People take priority in urban areas. We can't establish pits and

quarries in towns and cities. Resource uses need to take priority in rural areas. They can't go anywhere else.

Approximately 50% of the cost of aggregates is attributable to transportation. More distant sources cost more and would have negative impacts on public finances as more than 50% of aggregates are consumed by public authorities. The close-to-market policy is environmentally sound—less fuel consumed, less greenhouse gas emissions—socially responsible—trucks pass by fewer people—and makes economic sense.

The second matter I wish to raise today is that there is a need to streamline the approval process for new pits and quarries. Both proponents and opponents of aggregate facilities want a more efficient process, with decisions made in a reasonable period of time. The standing committee should consider legislative timelines on aggregate applications. This would provide guidance to review agencies to respond to applications in a timely manner. Oftentimes this is an excruciatingly slow process and one that does not serve either side well.

Related to this is a need to eliminate duplication of legislation and policy that apply to aggregates. There are approximately 25 pieces of provincial and federal legislation governing different aspects of pits and quarries. In some parts of Ontario there is the provincial policy statement; provincial plans, like the NEC plan and the Oak Ridges moraine; regional/county plans; municipal official plans; zoning; and development permits, etc., which creates unwarranted confusion and complexity as well as driving up the cost.

The industry was a bit surprised that the opponents to the proposed Melancthon quarry claimed a victory when they were able to convince the province to subject that proposal to an EA—surprised because the Aggregate Resources Act is, in itself, an industry-specific environmental assessment that in many ways is more rigorous than an EA. We respectfully recommend that the province not add more duplication and confusion by designating pit and quarry proposals to be subject to the Environmental Assessment Act.

Our third message today is simple: The aggregate industry does not create the demand for aggregates. Instead, we supply the demand that exists. We don't advertise, "Buy more gravel," or, "Consume more stone." Our industry instead satisfies a public need. Pits and quarries are needed by society. As our population continues to increase and our infrastructure continues to age, the demand for aggregates is projected to increase. Ontario's growth plan makes reference to a current infrastructure deficit measured in the tens of billions of dollars. We will need a lot of aggregate to address this infrastructure deficit and it is in the public interest that the price of that aggregate be as low as possible. That is another reason that the close-to-market principle is so critical. We can barely afford to maintain the road infrastructure we have now. How does it make sense by adding more trucks to that infrastructure?

Locally, we—Steed and Evans—use 70% of our own aggregate production for our own projects. It makes

sense that close-to-market aggregate is used to build local infrastructure. Ninety per cent of our construction work is public tender—i.e., paid for by taxpayers. In an era where we are eliminating coal-fired electric generating plants, mandating more fuel-efficient cars and heavy trucks, and building more efficient homes and buildings, how can it possibly make sense to haul aggregate from farther away, with more cost and more emissions?

In closing, I'd like to reiterate a few comments made by our colleagues. It is critical that the province regulate, control and enforce all matters relating to pits and quarries. It is a well-defined and long-standing principle that arose in the 1960s and 1970s, when local municipalities said, "No more." If control of pits and quarries were handed back to local municipalities, we would be faced with a far more uncertain approval process, which will inevitably lead to acute shortages of stone, sand and gravel. Aggregates are essential to a healthy provincial economy and to our standard of living. The health of the province's economy should not be entrusted to narrow local interests. Local control of aggregate approvals will discourage investment in this province as the process will become too lengthy, too uncertain and too expensive, if it happens at all. So please, don't make gravel travel.

The Acting Chair (Mr. Michael Coteau): Thank you very much. We'll start with the government side.

Mr. Mike Colle: Thank you for the thought-provoking presentation. I just have a couple of questions. The intriguing thing you said is that the Aggregate Resources Act is really like an Environmental Assessment Act for the aggregate industry. Can you just expand on that for a second?

Mr. Malcolm Matheson: I'm not terribly familiar with the EA process. We know that the Aggregate Resources Act is thorough and exhaustive, and we don't believe that adding a second way makes any sense at all. It adds more uncertainty. It's a very thorough process the way it exists now.

Mr. Mike Colle: Thank you for that. The second thing, and I do agree with you, is that we can't seem to build subways or anything in this province. We just talk and talk and talk. Can you imagine if we had to build a transportation system for aggregates when we can't even build a light rail system over 20 years? It would take us many years to build a train system for rocks.

The other point you made that I want to emphasize, and I think it's very good, is that the work that you do is usually in close proximity to where the aggregate pits are, right?

Mr. Malcolm Matheson: Yes.

Mr. Mike Colle: So it's critical, as far as the industry is concerned, that that remain the key component, close to market, close to where the work is done, so there isn't this "out of sight, out of mind" sort of attitude that says, "The pits are way up there. Who cares?" This way, at least there's a sense of reality for people, because when you build roads, hospitals and schools and ask for new asphalt, you're asking for more aggregate.

Mr. Malcolm Matheson: Yes. I think James Parkin covered that very well, and the reality of shipping from a distance. Canals aren't even open all year, so how do you expect to get product to market on a boat?

Mr. Mike Colle: Thank you, sir.

The Acting Chair (Mr. Michael Coteau): Thank you very much. We'll go to the opposition.

Mr. Michael Harris: Thank you, Malcolm, for your thorough presentation. I will just comment quickly on Mr. Colle's comment on building subways. We do agree with you on that one, especially in Toronto.

Malcolm, you talked about the process, I guess, in your opinion, being very cumbersome. Do you have any suggestions or recommendations on how you would want to streamline that process further?

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Mr. Malcolm Matheson: I think we've heard from both sides today about duplication in the process. I think with, as I say, up to 25 different pieces of legislation governing one application, there's a streamlining and things that can go on in parallel. I think that needs to be looked at in detail. We think the act works reasonably well the way it is now. I think there is some room for improvement.

Mr. Michael Harris: You also mentioned your company rehabilitating, and it in fact won an award for that. We heard a lot today about the importance of rehabilitation, and some areas doing it better than others. I don't know if you want to talk about the specific instance.

Mr. Malcolm Matheson: We have a golf course in Fonthill that's called Peninsula Lakes. It was an existing aggregate site. It was a bronze plaque award winner for that rehabilitation. The first three holes were built very early on in the life of the project and, as it was progressively mined, it was progressively rehabilitated into 18 holes. We were actually playing even when the site was still active. It's right adjacent to the tender fruitland that was mentioned by James Parkin, where they have fruit trees growing right next door.

Mr. Michael Harris: Great. Thank you.

The Acting Chair (Mr. Michael Coteau): Third party?

Ms. Sarah Campbell: Thank you for your presentation.

On the one hand we have industry coming and saying that we need to extract the resource where we need it; we need the close-to-market. On the other hand, we have residents who are living in the area who are maybe struggling with some of the effects.

Do you have any sense of what a compromise would be? Is it time for us to revisit the buffer zone? Should we expand that buffer zone, as has been recommended by some of the groups today?

Mr. Malcolm Matheson: I think that unfortunately, in some cases, it's too late, but I think what needs to happen in a rural land use is that aggregate resources need to be identified, they need to be mapped, and they need to be planned to be extracted. That means not building residential estates near them, not building trailer parks near

them and not putting other uses that are not really good rural uses of land.

Ms. Sarah Campbell: Thank you.

The Acting Chair (Mr. Michael Coteau): Thank you very much for your time. We appreciate it.

CONCERNED CITIZENS OF BRANT

The Acting Chair (Mr. Michael Coteau): Next up we have the Concerned Citizens of Brant. Good afternoon. If you could state your name for the record. As I'm sure you've heard, 10 minutes, and five minutes of questions following up. Thank you.

Mr. Ron Norris: My name is Ron Norris, and I am representing the Concerned Citizens of Brant. There is a handout for your reference. I hope everybody's got a copy. I will refer to at least the front page.

Good evening, Mr. Chair, committee members and guests. My name is Ron Norris and I'm speaking on behalf of the CCOB.

To give you some background to our point of reference, we're a group of citizens who came together in Paris, Ontario, when Dufferin Aggregates announced that they were going to execute a 38-year-old permit. After our initial investigation, we realized that there were a lot of changes that had occurred in 38 years and there was good reason for us to be concerned.

For example, on the first page of the handout you'll see the location of the pit. Thirty-eight years ago, this was primarily a rural area on the perimeter of the pit, but now the town is approaching the perimeter. In fact, a golf course abuts the property, as well as residences along Paris Links Road.

This site is right next to our primary well, which is listed as the Gilbert wells, and our secondary drinking water source, the Telfer wells, which are not currently GUDI. But by Dufferin's own admission, there is a potential that the secondary well will be rendered GUDI due to this operation.

The Clean Water Act has been put in place since the licence was approved. The Gilbert Creek watershed, which is identified on the map as well, has been identified as a heritage cold-water stream after the licence was granted.

Our idea of what is and is not acceptable as a society has changed significantly in 38 years. There was a time when we smoked in hospitals, we drove cars with no seatbelts and we burned leaded gasoline in our cars. That was good science in that day, and it's not good science today.

In addition to these considerations, the assumptions under which the licence was granted have changed. The original report to the Ministry of Natural Resources states that it was intended (1) that this be a seasonal operation for eight months per year; (2) that the work be done in daytime and over nine hours; (3) that the bulk of this material was to be transported off-site by rail; and (4) that

the surplus—some 590 tonnes—be transported by truck over the roads.

The current proposal we are looking at today is that it will run for 12 months, it will run 12 hours a day, and 100% of the gravel will be transported by truck over the road. The current estimate is for 30 trucks per hour. If you took the residual 590 tonnes in the original proposal, that would be about 30 trucks a day. So, it's a twelvefold impact.

In light of all of this evidence, we went to council with our concerns and requested that the MNR open the licence for review. The motion was broadly endorsed by council.

The MNR response: "Although the property was originally licensed in 1974, the licensee, Dufferin Aggregates, must abide by all current legislation."

Although this is technically correct, in the Aggregate Resources Act, policy AR 2.00.03 states that the licences granted prior to 1997 do not have to comply with prescribed conditions. That means they're grandfathered from these prescribed conditions. However, setting this consideration aside, the minister's response does not address our primary concern. Would this licence be granted today if it were reviewed in today's knowledge and today's legislation?

It's hard to believe that anybody would look at this situation and not actually want the licence to be reviewed. We believe that what is required is that a permit should have a time limit to open and execute a site plan and that a limit be placed on how long a pit can remain dormant. To address an earlier question, you asked, "How can these pits stay open this long?" On the one hand, the aggregate industry says, "This is a scarce resource and we're running out." How can these pits lie dormant for 38 years if we're running out?

In terms of the actual site review and approval, there are requirements for expertise where the Ministry of Natural Resources is not the authority on the subject. As a society, we put experts in place to protect our interests who are authorities in their areas of responsibility. To give a specific example, we understand that the Minister of Natural Resources would request the MOE review and comment on technical reports and site plans, but we also understand that this is not a requirement for approval. Is the Minister of Natural Resources in a better position to judge the significance of this impact to the environment than the MOE? Similarly for the town's water supply, the county is ultimately liable for the drinking water. However, they have no approval authority and no enforcement capabilities.

When questioning the potential to impact our water quality, the company talks about "manageable risks" and "risks that are not significant," but no one outside of the company can outline what these risks are. The commentary from Dufferin has been that if we have an incident it will be detected by the monitoring wells and the township will take corrective actions. We should not be considering managing risks when it comes to our drinking water. We do not have these risks today. Why

should we be burdened with them in order for a corporation to make a profit?

What we want is independent scientific proof that these operations do not have an impact on our drinking water. We need an authority that is our advocate to do the research and confirm that there is no issue or reason to be concerned. The cost of these studies should be borne by the applicant in terms of the licensing fee. If it's identified that there is a risk associated with the water, the permit should be denied. We put these people in place as experts to protect the public interests; they need to have influence in the process to the point of approval.

As mentioned earlier, the plan for the Paris pit has changed to have all the aggregate shipped by road, and this places a significant burden on the township to upgrade and to maintain roads. These roads are being built specifically to accommodate this pit. It is completely unreasonable to expect the taxpayers to bear the burden of this type of infrastructure and maintenance so that a corporation can make a profit. This is a clear case of costs being externalized to the public. This is a type of corporate subsidy that results in the cost of the aggregate being artificially depressed.

1710

There was a case in Caledon that you're all familiar with where the estimated cost to upgrade the roads and maintain the roads was 93 cents per tonne, and the levy that was received by the county was 7.5 cents. Less obvious are the costs associated with pollution, noise and the consumption of farmland.

The bottom line is that demand is a downward-sloping curve, and if prices are artificially low, consumption will be artificially high and substitution will be artificially low—i.e., recycling or other products that can take its place. Not surprising in Ontario, our levy is 11 cents per tonne, and we consume 15 tonnes per year per person versus the UK, which has about a C\$3 levy. They use about four tonnes per person, and they recycle far more as a percentage of use than we do. The current levy does not reflect the true cost of the aggregate. If you did that math and you were actually at a rate more like the UK, you realize that that would extend the life expectancy of your existing reserves by three or 3.25 times, right?

In closing, I want to speak in a general context. I am very pleased that you would actually take the time to listen to us. I'm a business person and I'm not normally engaged in these kind of activities, but my experience in this whole process of learning about this pit and learning about these regulations has been less than favourable, to put it mildly. You are no doubt experiencing a significant increase in the level of pushback from the public, from what I have seen so far. It is evidence to the fact that the processes that are in place right now are not functioning in the public's best interests.

More and more, citizens are rising up with problems just like we are experiencing, in situations much like we have, because they don't have an advocate. This is not a criticism of our council, the GRCA, the MOE, the Ombudsman or any of our other representatives. We've

talked to them all, and they effectively give us back the same message: "Go talk to the MNR. We don't have authority here." The issue is that these are the people who are supposed to be our advocates. They're supposed to represent our interests, and they have no authority and no ability to fix these problems.

The Acting Chair (Mr. Michael Coteau): Thank you very much, sir. Your time is done. We'll take the first question from the Progressive Conservative caucus. Mr. Leone?

Mr. Rob Leone: Thank you very much for your presentation. I live in Ayr, not too far from this location that you're talking about.

My question concerns the perpetual concerns we hear with gravel extraction from citizens and their groups. We've heard a lot of the comments that were made in your presentation before. I'm wondering: Is there ever a way of getting around these concerns, particularly when gravel pits are sited and urbanization inevitably forces these pits to become closer to people's homes? What I'm trying to get a sense of is: How do we mitigate that concern? Because we're hearing this about what's happening in Brant county, which could very well be the same concerns that I hear on an ongoing basis in North Dumfries township and I'm sure other members here are hearing from their residents who are close to these gravel pits as well.

What's the solution here? What's the solution in terms of where these sites should occur and so on? Is it public consultation that would better alleviate some of these concerns? Is it a more powerful MNR? Is it simply to eliminate as much as possible any aggregate extraction? What's the perspective? How do we get around the problem, and the problems that you've cited in your presentation?

Mr. Ron Norris: I did summarize or recap the three key points in the last page of the handout. I think that a time limit on licences is very important. I think that it is unreasonable to hold a licence vacant for 40 years and not expect some new approval process. Our technology evolves so fast.

I think that is a primary objection. That's how this group got started. We went in and we said, "This is a 38-year-old permit. Surely they're going to prove it, right?" No. The response of the company was, "We have a right to extract. We're going to do it." That was the response. Then you get conflict between the citizens' group and the pit—and I hear this. I hear this in other situations, where there's conflict. We had one question—in the last meeting, where Dufferin presented to us, we just said, "You know, we just want to know that this will get approved and this will be monitored properly." We're concerned about the level of resources. The MNR openly says that only 10% to 12% of the pits get visited every year.

If they want a licence, then they should bear the burden of these costs. The MNR should satisfy the public that they're getting frequent visits and that they are holding to their site plan. I'll cite the example in Zorra

township, where the guy breached the aquifer—clearly an illegal position for him to be in, and he was in that position for over 12 months with no corrective action. For 12 months, he breached the aquifer. It was against his site plan.

Mr. Rob Leone: In other words, a healthy dose of transparency would go a long way in—

Mr. Ron Norris: And I'd also say, you have people in place. You have the MOE; you have other bodies in place that are authorities in their area of expertise—the GRCA. These people should be engaged in the activity of approval. If I go get a building permit and I'm on the flood plain, I submit to the GRCA, period. If they say no, I don't build.

The Acting Chair (Mr. Michael Coteau): Okay, I'll move on to Mr. Miller.

Mr. Paul Miller: Thank you. I understand your concerns from the original concept, when it was very few trucks and certain working hours, and I agree with you: It certainly would have a negative impact if you increased the trucks to 360 a day and things like that.

I agree with you that the groundwater should be tested on a regular basis, to give the public some confidence in their water system. It certainly would be important.

First of all, you said it sat dormant for a few years and they started it up again. Is that correct?

Mr. Ron Norris: It has been dormant for 38 years.

Mr. Paul Miller: And they want to start it again.

Mr. Ron Norris: They are going to start it now.

Mr. Paul Miller: Okay.

Mr. Ron Norris: They've never scraped land.

Mr. Paul Miller: Why did the local community—and I'm not from here—your councillors, your township or whatever; your area, your district. When the people cried out, why aren't your town councillors and that going and asking the ministry to revisit the—

Mr. Ron Norris: They did.

Mr. Paul Miller: And what happened?

Mr. Ron Norris: The Minister of Natural Resources said—

Mr. Paul Miller: How about your MPPs?

Mr. Ron Norris: Actually, I gave you the quote. His response was, "Although the property was originally licensed in 1974, the licensee, Dufferin Aggregates, must abide by all current legislation." So he's saying the licence is valid and they're in compliance.

Mr. Paul Miller: And your MPPs?

Mr. Ron Norris: Dave Levac. He went in and did the same thing.

Mr. Paul Miller: Dave Levac.

Mr. Ron Norris: We took it to him and he went back to the MNR.

Mr. Paul Miller: So there's not enough punch for your local representatives to be able to change the act. They have more power than your representatives, and that's a concern for you. That's a concern for me too.

Mr. Ron Norris: It's a concern for me. Actually, I'll make one more comment. Dufferin Aggregates has had a

meeting with the MNR and I have not been able to get a meeting with them.

Mr. Paul Miller: You can't get a public input. Well, that certainly is a problem. That's certainly something that the committee should look at, I think, and I agree with you.

The Acting Chair (Mr. Michael Coteau): Thank you. I'll move to the government side.

Mr. Mike Colle: Yes, thank you for the very interesting presentation. I guess the key thing here is, it's the act. It's not the MPP and it's not the city council, because basically the act allows for dormant pits to be reactivated, and they can be dormant for decades.

You're obviously stating a very good case study where we have to look at the viability of time limits, that you can't have these open-ended pits, literally and figuratively, just go on indefinitely. There should be some renewal application or there should be a time limit. That's what you're basically saying, loud and clear.

Mr. Ron Norris: Yes. I'm also saying that expansion of pits is also a new-permit issue. It's a new site, new location, new set of parameters that should be approved. It shouldn't be part of the—

Mr. Mike Colle: It shouldn't be rubber-stamped. There's got to be a stiff process of oversight before these things are expanded or certainly reactivated.

1720

Mr. Ron Norris: Right.

Mr. Mike Colle: Are you an economist, by the way? You made some very—

Mr. Ron Norris: I have some economics background, business background, yes. But I think what—

The Acting Chair (Mr. Michael Coteau): Thank you. I think we've exhausted the five minutes. We're almost at seven minutes here. Thank you very much for your time, sir. I appreciate it.

FRIENDS OF THE WINTERBOURNE VALLEY

The Acting Chair (Mr. Michael Coteau): Next up we have Friends of the Winterbourne Valley, Della Strooboscher. Welcome. Thank you for joining us today.

Ms. Della Strooboscher: Thank you. That was a very valiant attempt at my last name. My name is Della Strooboscher, and I'm a member of the Friends of Winterbourne Valley.

The Winterbourne Valley is in Woolwich township, right here in the region of Waterloo. The Winterbourne Valley is a peaceful rural bowl that is nestled in a lazy curve along the Grand River. Two communities, the town of Winterbourne and the Conestoga Estates, are situated alongside this valley.

The Friends of Winterbourne Valley are concerned about two proposed aggregate applications, which are currently before the OMB, that are on prime agricultural land and near residential communities. I am here today to present to you the concerns we have with the piggy-

backing of recycling operations into aggregate extraction sites.

Contrary to what Mr. Esbaugh of Tri City Materials said earlier this afternoon, we recognize that recycling is necessary for a sustainable future. Recycling is a logical and important way to reduce the need for virgin aggregate and the subsequent need to create new extraction sites. The Friends of Winterbourne Valley support the recycling of aggregates, but we strongly object to the current trend of incorporating recycling operations in aggregate sites that are located in close proximity to residential areas.

The aggregate industry and the MNR have, for many years, used the location of aggregate deposits as a solution for siting extraction almost anywhere there is aggregate. Perhaps you've heard the phrase, "Gravel is where it is; you can't get it anywhere else." Well, that's true for aggregate, but it is not true for recycling. Recycling operations can be located virtually anywhere. In fact, recycling involves almost all of the adverse impacts of aggregate extraction, such as noise, pollution, truck traffic, visual impacts, negative impacts on property values and the like, but there is no geological rationalization for locating recycling operations in close proximity to residential areas and/or conflicting land uses such as farming.

In Woolwich township, two proposed aggregate pits are situated approximately 500 metres away from residential areas in Winterbourne and Conestogo, and both of these applications include aggregate recycling operations. Earlier, Mr. Hunsberger said that there wasn't going to be recycling on his operation, but I do have the operation plan here on my iPad and I'd gladly show it to you. It does show recycling on there.

In the case of another application, it appears the proposed extraction operation might not be financially feasible without the additional income provided by recycling, and that only by adding recycling to the proposal can it really be viable.

In both of these applications, piggybacking recycling operations into the proposed extraction sites will dramatically increase the adverse impacts to neighbouring residents and the surrounding community. Allow me to share with you just one such adverse impact.

Aggregate recycling is an industrial operation that produces frequent fugitive emissions of noise, dust, diesel fumes and airborne crystalline silica. Crystalline silica is a colourless mineral, and is a natural compound that is found in sand and soil. It is also found in concrete, as well as asphalt that contains rock or stone.

Crystalline silica is so small that, when it is breathed in, it enters deep into the lungs and forms scar tissue. This reduces the lungs' ability to take in oxygen; this then causes a host of health problems. The International Agency for Research on Cancer has classified crystalline silica as a human carcinogen, and it has been connected with other respiratory diseases as well. Crystalline silica is such a well-known hazard that both the US Department of Labor and the Centers for Disease Control have rec-

ommended or even required that warnings be posted in industrial areas where there is silica dust. I've included some graphics in your package of some of the warning signs that exist.

On May 14, 2012, Ms. Cheryl Connors of the Canadian Network for Respiratory Care presented to this very committee the negative health impacts of crystalline silica, such as silicosis and lung cancer, that result from aggregate extraction operations. According to Ms. Connors—and this was taken from Hansard—"The Ontario Ministry of Labour has strict guidelines in place for workers who come into contact with silica dust, requiring them at all times to wear respirators, yet there are no guidelines in place to protect Ontarians living near pits and quarries to protect them from being exposed to silica dust."

What I'd like to add to that comment that Ms. Connors made is that there are no guidelines to protect Ontarians who live near recycling operations from the harmful effects of silica dust. This is just one negative impact of aggregate recycling operations located near residential areas. In the interests of time, I will leave it there. But I will move on to some recommendations.

Aggregate recycling is a class 3 industrial activity that is largely unrelated to aggregate extraction. As such, it should not be permitted in aggregate extraction or processing sites under the umbrella of the Aggregate Resources Act.

Recommendation number 1: Aggregate recycling operations should not be allowed in close proximity to neighbouring residences. Rather, they should be sited in appropriate and appropriately zoned industrial areas. Such industrial areas are often closer to market than the rural areas from which aggregate is extracted. Locating recycling operations in these areas could well promote reduced transportation costs and greenhouse gas emissions.

Recommendation number 2: The ARA and its supporting regulatory framework should not approve of, condone or support siting of aggregate recycling operations in aggregate extraction sites. In other words, recycling operations should be outside of the mandate and purview of the ARA and the MNR.

What follows in recommendation number 3 is that zoning for aggregate recycling should be addressed through the Planning Act, on the same basis as any other class 3 industrial operation.

I would like to thank the committee for working hard to extend this hearing to places like the region of Waterloo. You have recognized how important this matter is to the citizens of Ontario. This committee has been given the unique opportunity to make positive changes to the ARA and to fix many of the things that have been wrong with it. As such, it behooves you to piece together all of the data that you have received and will continue to receive and to create an equitable solution.

The Friends of the Winterbourne Valley wish the committee well in its work and trust that it will do its utmost to protect the citizens of Ontario's communities.

The Acting Chair (Mr. Michael Coteau): Thank you very much. We appreciate the presentation.

We'll start with the NDP caucus.

Ms. Sarah Campbell: Thank you for your presentation. Do you have any suggestions as to where the recycling process could occur if not at the aggregate extraction sites themselves, while still remaining close to market? Or do you think it should be somewhere altogether different?

Ms. Della Strooboscher: Like I said in my presentation, it can be in other industrially zoned areas. I really like the peel-and-pave idea, where it's happening right on-site as you go. I think that's technology that has been going on for decades, and I think that's something that really needs to be continued.

The Acting Chair (Mr. Michael Coteau): Any other questions?

Ms. Sarah Campbell: No. Thank you.

The Acting Chair (Mr. Michael Coteau): Okay. Liberal caucus.

Mr. Joe Dickson: Thank you for your presentation. Obviously, it will make some positive changes.

If the recycling area was in the quarry and it was surrounded by an industrial area, does that then meet your standards?

1730

Ms. Della Strooboscher: If it's not close to residential areas or farmlands?

Mr. Joe Dickson: That's going to be the next question. I wanted to get the first—

Ms. Della Strooboscher: It has to be somewhere. So you're saying, if there's recycling going on in an aggregate site that's not near anything else, is that okay?

Mr. Joe Dickson: No. What I was asking you, and I just want to get your input: recycling on an aggregate site, and it has the greatest proximity to its borders industrial zoned, or what's called employment lands.

Ms. Della Strooboscher: I think that would be fine.

Mr. Joe Dickson: That would be fine.

Last question: You mentioned proximity of quarries to residential areas, and you used the term "close proximity." Could you tell me what you feel is the appropriate close proximity that would exclude that?

Ms. Della Strooboscher: So if I understand your question, you want to know what kind of a setback there should be.

Mr. Joe Dickson: What you would like, yes.

Ms. Della Strooboscher: I think, based on some of the other municipalities which have 1,600 metres, that, I think, would be leaning towards more acceptable. Certainly not 300 metres or 500 metres, which is what we're looking at right now.

Mr. Joe Dickson: Thank you very much.

The Acting Chair (Mr. Michael Coteau): PC caucus.

Mr. Michael Harris: Thanks, Della, for your presentation on behalf of Friends of the Winterbourne Valley.

You referenced just one impact, and I don't know if you wanted to spend some more time on some of the other impacts you believe are important.

Ms. Della Strooboscher: Where can I begin?

I think we're looking at reduced property values. I think that's a big one. I think that noise—and when I think of Winterbourne Valley, you have to realize that it's a bowl. There's an area in Conestogo that is elevated, so any noise that happens right now on that farmland comes right up the valley and we hear it. And you know what? Farmers use their tractors just a few times during the year, so it's no big deal. We like living by farms. We like hearing the tractors out on the field. But to think, then, about the noise that comes along with aggregate and recycling and how that will go from 7 in the morning till 7 at night, that's frustrating to think about. It's pretty maddening, actually. So that's another one, noise; like I said before, dust. And we have concerns about the Grand River. This is right by the Grand River. That's our water. Those are other concerns.

The Acting Chair (Mr. Michael Coteau): Thank you for your time. We appreciate it.

REGION OF WATERLOO

The Acting Chair (Mr. Michael Coteau): We have our last presentation. It's from the region of Waterloo. Welcome. If you can just state your names for the record and then you can begin.

Mr. Ken Seiling: I'm Ken Seiling, the regional chair.

Mr. Rob Horne: And I'm Rob Horne, the regional planning commissioner.

Mr. Ken Seiling: Thanks for hearing us today. I know this is the last presentation. We're going to be very brief and fairly high-level. I know it's been a long day for you, but we did want to address you. You've already received our material; you've got copies of it, and also the summarized comments I'll be making today. Rob is here to answer all the hard questions, when it comes down to it.

We're grateful for the opportunity to comment on the Aggregate Resources Act. The review has been anticipated by many in this community.

The region possesses many characteristics that make it an ideal place to examine the implications of the current act and opportunities to make it better. Our rapidly growing community is the fourth-largest in Ontario at 550,000 people and is expected to exceed 700,000 in less than 20 years. Our community provides about 280,000 jobs and growing. We are the largest groundwater-dependent community in Ontario, if not Canada, depending on 80% of our water needs from the aquifers.

In terms of aggregates, our resources are also rich and abundant, and the region of Waterloo has enjoyed a good and productive working relationship with the aggregate industry and others in the community as we've tried to plan through a number of these issues. Waterloo region is the sixth-largest aggregate-producing area in Ontario.

We recognize and accept the vital roles that aggregate resources in our community play in supporting both our

own economic prosperity and that of Ontario. However, a much more complex series of considerations, including water quantity and quality, are needed as balancing factors in evaluating aggregate extraction opportunities.

There are five critical issues which we would like to strongly encourage you to consider in your deliberations.

(1) We believe the public is perplexed. Complaints from citizens about pits and quarries are made to municipal offices on a regular basis, if not daily. Municipalities can only direct these citizens to the province, and the outcome of any ensuing discussion is not always known.

(2) Provincial and municipal roles need to be properly integrated. There is also a need to remake the regulatory framework for aggregates and to clearly integrate them with revised municipal powers. By and large, provincial aggregate regulation and municipal planning exist as two solitudes. The Planning Act provides the key municipal planning tool, while the Aggregate Resources Act is primarily relied on by the province. The interface between these legislative tools is uneven and unclear, and requires proper integration. I'm sure you've often heard from many municipal politicians that they feel that they are disadvantaged, that really it's out of their control when it comes down to the short strokes on aggregates.

(3) Public interests consistently compete and often conflict. There is probably no better example of this conflict than with one of our greatest commodities: water. Given the groundwater dependence of the Waterloo region and the expansive regulatory framework emerging from the Walkerton tragedy, it is inconsistent that aggregate extraction can so frequently occur very near or below the water table. Even the relationship between aggregate extraction and emerging source protection plans has yet to be established and is currently problematic. In these and other cases, vertical zoning should be more clearly enunciated by the province as an effective management tool. What's more, a practical policy framework is required to ensure that the cumulative impacts of proposed mineral aggregate operations are properly and fairly assessed.

(4) The two I's: inspection and innovation. The geographic range of each provincial aggregate inspector is enormous. It is quite clear that more provincial resources need to be directed to the inspection and enforcement of aggregate licence conditions.

Furthermore, the current royalty rates received by affected municipalities are woefully inadequate, and upper-tier municipalities like the region of Waterloo receive a much smaller royalty than even the lower-tier municipalities. I'm sure this is true in Wellington and others. Probably 95% of the aggregate in this region is hauled on regional roads, yet the bulk of the money is going to area municipalities. I don't begrudge them the money, but it's not a clear reflection of where that haulage is taking place and the impact on roads and roadways. So I think there needs to be some re-examination of how the royalty payments are done within two-tier framework governments.

Innovation takes many forms and is only limited by imagination. Opportunities for the province include developing a comprehensive strategy to conserve and extract aggregates over the longer term, developing collaborative investment and compensation plans on a community-by-community basis, establishing a comprehensive and more flexible aggregate recycling program, and changing construction practices to reduce aggregate requirements.

(5) Life after extraction: Despite the provisions of the Aggregate Resources Act for progressive and final rehabilitation, rates of rehabilitation are extremely low and some pits exist year after year at "near extraction completion." One estimate in our region puts rehabilitated pits at only about 24%.

In closing, the region appreciates the opportunity to address such an important issue. Aggregates and other important public interests must better co-exist. Public policy must provide greater clarity for our citizens, establish clear and unambiguous municipal and provincial roles, and, above all, realize a more balanced approach to aggregate extraction. Together, we must recognize and accommodate all of the other environmental, social and economic considerations that factor into sustainable community vitality.

Thanks for considering our submission. We'd be pleased to offer any ongoing assistance now or in the future as you deal with this topic.

The Chair (Mr. Michael Coteau): Thank you very much. We'll start with the government side.

Mr. Mike Colle: Thank you very much, Ken. A number of questions. The first one is, it's interesting that you surveyed the pits in Waterloo region and only 24% have been rehabilitated.

Mr. Rob Horne: That's correct, and that includes progressive and the ultimate completion of pits.

Mr. Mike Colle: Some are not even complete. So one quarter of them.

The other thing is that we've been grappling with this issue of the use of recycled aggregates by local municipalities, and we said, "If there is one person who would know, that would be Ken Seiling." That is, why are municipalities reluctant to use recycled aggregates in their road building when the province's MTO is more than happy to use 30% of aggregates that are recycled in road building?

1740

Mr. Ken Seiling: Well, I'd have to bring the engineers, but I know that there's more and more replanning and recycling of asphalt on the roadways themselves. There's more of that going on in the municipal sector. But I can probably provide you with greater information from our engineering department.

Mr. Mike Colle: Yes, if you could later, because the committee will be meeting for quite a while, so please pass that on.

Mr. Ken Seiling: If you do go out, you see more and more road projects where they're actually replanning the asphalt and resetting the asphalt right on-site and recyc-

ling it. You see more of that taking place in the municipal sector.

Mr. Mike Colle: And if I could just ask Rob a question here, you mentioned the need for a realistic interface between the Planning Act and the MNR and the Aggregate Resources Act. If you can't do it now, if you could give the committee later on just a brief detailed example or a number of examples of how we could do that or maybe how this committee might propose that interfacing between the two entities?

Mr. Rob Horne: Certainly. I'd be happy to do that.

Mr. Mike Colle: Thank you very much.

The Acting Chair (Mr. Michael Coteau): PC caucus?

Mr. Michael Harris: Thanks, Regional Chair Seiling, for making your presentation. I know you talked a lot about water. I'm pretty sure there's an example in our region, a water recharge area, in fact, in an old pit. Do you want to speak to that at all? It's in Mannheim, I believe?

Mr. Ken Seiling: In Mannheim we actually have an artificial recharge area where we're actually using a former gravel pit. We're treating water, injecting it into the ground and recharging it and recycling that water. That's taking place.

I think the issue that we're really addressing here, and it's an issue for Wellington and Brant and many others around here, is that we know that the province recognizes vertical zoning, for example, but we think there needs to be greater clarity so that we're not having to fight that battle on an ongoing basis. Those areas that rely very heavily on groundwater resources need to make sure that those kinds of revisions are there and won't be challenged.

Mr. Rob Leone: Just a follow-up question: Certainly, Chair Seiling, you raised an issue with respect to the sharing of the levy, the royalty in terms of the extraction, between the upper-tier municipalities and the lower-tier municipalities. I wonder, given some of the problems locally with respect to the revenue-sharing agreements, what would you suggest would be a proper level of compensation between the upper-tier municipality and the lower-tier municipality?

You've also mentioned that the levy is woefully inadequate. Would you care to comment in terms of what might be adequate to rectify that problem?

Mr. Ken Seiling: Well, I don't have a number. It's a pretty low number. We get the cheque every year and it's in the tens of thousands of dollars. It's a pretty small number for the amount of gravel that's extracted. I think that we could provide a bit of work for you on that front.

I wasn't trying to get into a seesawing between the area municipalities and the regions or the counties, but in fact, if the argument—my history, as I recall, was that the royalty was originally done more like a nuisance factor: "We're paying you for nuisance." And then ultimately they decided they needed to have some rationale for this sort of thing, so they talked about road reconstruction payment and those sorts of things. If that's the logic, then

the bulk of the areas are travelling on roads maintained by the counties—the county of Wellington, for example, or the region of Waterloo or the county of Brant or the county of Perth, as the case may be.

So I don't know what the right number is. I think some time should be spent taking a look at that and seeing if there is some sort of formulaic approach that could be used to determine that, or at least a fair sharing if in fact wear and tear on roads is the basis for the payment.

Mr. Rob Leone: Is the region of Waterloo often a participant in OMB hearings with respect to the siting of these gravel pits and issues with respect to that? Because we've heard from other municipalities that one of the reasons for increasing the levy would be to help mitigate some of the costs associated with fighting or at least presenting their case at the OMB. Would that be something that the region participates in quite often as an upper-tier municipality?

Mr. Rob Horne: My short answer would be no; that's not the intended direction. In fact, we put a lot of stock into the work of this committee on this issue. We're firm believers that aggregate extraction is extremely important and needs to occur. But there's a lack of clarity on every front: clarity in terms of where the aggregate producers can produce unfettered; clarity in terms of communities, in terms of compatibility—I'm sure you've heard lots of that—and clarity in terms of how we best protect our resource.

As Chair Seiling said, 80% of our water supply is coming out of the ground. It's really, really critical. We are the sixth-largest community in Ontario; we're the 10th-largest in Canada and growing.

The Acting Chair (Mr. Michael Coteau): MPP Campbell?

Mr. Ken Seiling: Can I just build on that?

The Acting Chair (Mr. Michael Coteau): Go ahead.

Mr. Ken Seiling: I think that you would find that if there was greater clarity on the provincial role, the integration of the Planning Act with the aggregates act, there would be fewer municipal board hearings that people would have to engage in. I think that's the intent, to move the process along so we're not always at loggerheads. The region participates in all of these hearings, whether they're instigated at the lower-tier level or at the regional level. We're currently in hearings over our official plan, for example.

But I think the aim is really to try and get some of these irritants out so that people have some knowledge of what they can expect and where things are going to go so they aren't always forced to the board to fight out these issues.

Ms. Sarah Campbell: Thank you for your presentation and for answering MPP Colle's questions about what you think some of the barriers are for municipalities in terms of things that are preventing them from using more recycled aggregate material.

This morning, we were at a site where we heard about there being about three main reasons why municipalities might be reluctant to use aggregate material: first of all,

that there's no levy received by municipalities from industry for recycled materials; that the recycled materials themselves can be just about as expensive as virgin aggregate material; and that there's the concern about a lot of—I guess the industry word is “deleterious material,” i.e., garbage, like a lot of wood and whatever else, that goes into the process.

My question is—okay, we know what some of the reasons are. What can we do to encourage municipalities to use more recycled material? Do we just have to inform the municipalities about some of the benefits of using recycled aggregate? Do we have to go as far as legislating it? Do we have to provide financial incentives? Or just by providing some fairness by covering the true costs—i.e., possibly a levy—would that do it?

Mr. Ken Seiling: Maybe Rob has an answer. Had I known we were going to encounter these questions, we would have brought engineering people who could answer your questions for you, because I'm really not an engineer and I wouldn't purport to give you engineering expertise as to what they can use and can't use.

There are a variety of issues and standards in road quality. From time to time, every municipality has faced—where they've had pavement failure due to a variety of issues, whether it be in the bitumen or other sources. I think we really need to speak to the engineering portion of the operation.

Ms. Sarah Campbell: Can you speak to what municipalities are saying, though? You've probably had that dialogue with municipalities. Have they expressed any particular concerns about what might need to be addressed?

Mr. Rob Horne: They have. Two points to that: One is, we've been exploring the issue of some type of recycling facility, doing a feasibility study, and we would desirably see it driven by the private sector. So we're trying to explore this opportunity. With that comes the opportunity to recycle contaminated soil. Of course, as we intensify, it would only make sense to me, the facility could do two things.

I think the other issue, too, though, is that some good feedback from the professional engineers would be helpful.

There are a couple of other dimensions. One is the quantity of aggregate and the other is the mix of aggregate that's used. I've heard some good comment that really challenges us as to whether we're using the best mix.

The Acting Chair (Mr. Michael Coteau): MPP Miller, final question.

Mr. Paul Miller: Yes, just a quick question. I'm glad to see in your fourth item that you're concerned about the lack of inspection. We have trouble all over the province with lack of MOE inspectors as well as the other ministry with the ARA, so we're very concerned. I'm glad to see that Waterloo region is on board in that.

I hope that the recycled material—I hear you do use it, and that's excellent. I wish more communities would follow your lead on that because it certainly would make a lot less pollution.

The Acting Chair (Mr. Michael Coteau): Thank you very much for your time.

Before we conclude, I know there's a request for information. MPP Jones?

Ms. Sylvia Jones: Yes, thank you, Chair. I was wondering if the committee would find it valuable to have research establish how many times, if ever, MNR staff have recommended to the minister declining a licence. In terms of timeline, let's do since the Aggregate Resources Act has been in place. So don't go back to the pits and quarries; start at ARA.

Mr. Mike Colle: Sure.

Mr. Joe Dickson: That's a given.

The Acting Chair (Mr. Michael Coteau): Okay, great.

I'd like to thank all the presenters today and everyone in the audience. Thank you very much for your time. With no further business, this meeting is adjourned.

The committee adjourned at 1749.

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(Hansard)**

Monday 16 July 2012

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(Hansard)**

Lundi 16 juillet 2012

**Standing Committee on
General Government**

Aggregate Resources Act review

**Comité permanent des
affaires gouvernementales**

**Examen de la Loi sur
les ressources en agrégats**

Chair: David Oraziotti
Clerk: Sylwia Przedziecki

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GENERAL GOVERNMENTCOMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES

Monday 16 July 2012

Lundi 16 juillet 2012

The committee met at 1503 in the Kanata Salon, Holiday Inn, Kanata.

ELECTION OF ACTING CHAIR

The Clerk Pro Tem (Ms. Tamara Pomanski): Good afternoon, honourable members. It is my duty to call upon you to elect an Acting Chair for the remaining hearings today and tomorrow. Are there any nominations? Mr. Colle.

Mr. Mike Colle: I'd like to nominate the honourable member from Pickering—Ajax.

The Clerk Pro Tem (Ms. Tamara Pomanski): Are there any further nominations? There being no further nominations, I declare the nominations closed and Mr. Dickson elected Acting Chair of the committee.

AGGREGATE RESOURCES ACT REVIEW

The Acting Chair (Mr. Joe Dickson): Welcome, ladies and gentlemen, to the Standing Committee on General Government, in particular the aggregate review. The timing will be 15 minutes per presenter, of which 10 minutes is for you to present and five minutes for questions, split evenly amongst the three parties. We will start with the Tories, then go the NDP, then go the Liberal side. When you come forward, please give us your name. If you think it's a difficult name to spell, you might want to spell it out for us. We absolutely welcome everyone here this afternoon.

AGGREGATE RECYCLING ONTARIO

The Acting Chair (Mr. Joe Dickson): I would ask our first presenter, Aggregate Recycling Ontario, to come forward. Could you give us your name, please, although you do look familiar.

Ms. Moreen Miller: Thank you. My name is Moreen Miller. Good afternoon, Mr. Chairman and committee members. It is a pleasure to be here today to address aggregate recycling issues and to update you on Aggregate Recycling Ontario, or ARO for short. ARO was created last year by industry stakeholders who produce, recycle and consume aggregate materials in Ontario to raise awareness about the benefits of using recycled aggregates in infrastructure projects. I am the executive director of ARO and I'm here today on behalf of the chair, Adrian

Van Neikerk of Gazzola Paving, who was unable to attend today.

Many of the aggregate producer companies that you have met during this review process are also members of Aggregate Recycling Ontario, including 19 of the largest aggregate recycling companies in Ontario. Our membership also includes eight very committed industry associations: the OSSGA; the Toronto and Area Road Builders; the Ontario Road Builders' Association; the Ontario Hot Mix Producers Association; the Ontario Good Roads Association; the Ontario Sewer and Watermain Construction Association; the Ready Mixed Concrete Association of Ontario and the Residential and Civil Construction Alliance of Ontario.

ARO was created to provide a focus for aggregate recyclers who are frustrated by the lack of progress in getting aggregate recycling into the construction mainstream. Although historic issues with product quality are partly to blame, there remains a systemic bias in the municipal engineering community to only specify primary aggregates in their projects. To overcome this bias, we are educating our own members about quality control concerns while we work to convince municipalities, consulting engineers and provincial legislators that they can be part of the solution to Ontario's low aggregate recycling rates.

Although the MTO and a few municipalities such as the city of Toronto can also claim a leadership role in promoting the use of recycled aggregate because they consistently allow its use in their projects, we are the only organization that is actively promoting aggregate recycling in a substantive and proactive way.

A couple of years ago, dismayed by their inability to move the millions of tonnes of recycled aggregate stockpiled in their yards, the Toronto Area Road Builders' Association began lobbying municipalities in the GTA to get them to use more recycled aggregates, in accordance with provincial standards and specifications that have been in place since 2004. Those standards clearly identify that recycled aggregates are suitable for use in road construction, parking lots and trails and as backfill. Aggregate recyclers have been accepting broken concrete, such as old roads, sidewalks and curbs, at their yards free of charge, thus keeping this material out of landfills and disposal sites while saving taxpayers from the charges associated with those options. There, the material is sorted

and re-engineered to meet Ontario provincial standards and specifications for reuse.

However, these recyclers mistakenly assumed that if they produced a quality product and sold it at a cheaper price, municipalities would use it. Instead, they've watched trucks loaded with primary materials drive in from the countryside to fill orders at projects located in close proximity to the enormous mountains filling their yards. Even when the road builder has their own recycling yard and wants to use recycled aggregate, the procurement specifications simply will not permit them to do so. To augment the irony of this situation, those stockpiles are mostly made up of reclaimed materials from the same municipalities that won't take them back.

Notwithstanding the fact that the recycling yards save the municipalities the costs of having to dispose of their broken roads, the value of this perfectly fine, non-renewable resource is being recklessly ignored. While TARBA's early efforts softened the stiff resistance of many municipal engineers, most remain cautious at best and, for the most part, wedded to the status quo.

Other companies and associations supported TARBA's efforts to push the recycling agenda and determined that it should be a province-wide effort, with widespread industry support. So, last summer, ARO was born to build on TARBA's efforts and extend this campaign province-wide.

ARO members have been participating in these hearings. While we agree with the frustration that comes from many of the speakers and committee members about Ontario's overall lack of recycling success, many of those same speakers misappropriate blame or fail to acknowledge that their own municipalities routinely discriminate against the use of recycled aggregate in their construction projects. They also routinely oppose applications to secure permits to locate and establish recycling facilities, even when they are proposed in existing pits and quarries.

However, we're not here today to lay blame or point fingers or to imply that using recycled aggregate will solve the complicated issues and the conflicts that have naturally converged at this particular legislative review. Instead, we're here to continue ARO's mission of education, advocacy and leadership by example.

We've been listening to the discussion taking place at this committee, and we agree that many of the proposals that have come forward would be helpful in promoting recycling, from financial incentives, to material bans at landfills, to revised construction codes, to dedicated levies designed to support recycling. We have also heard a lot about the UK experience, because they've done some very interesting things. We're exploring these proposals and the UK model more fully as part of our overall agenda, and we look forward to discussing these initiatives in the future.

Since being formed, here is what ARO has been doing. Our first priority is to tackle the low-hanging fruit: making sure that recyclers produce a product that meets prescribed standards, and getting municipalities to recog-

nize the value and properties of this material, so that they will allow its use in their projects. This small step can at least lead to establishing a functional market and quickly absorb several million tonnes of stockpiled material.

In an effort to convince municipalities and consulting engineers that recycled is a comparable alternative to primary materials, we've produced several communication pieces designed for both the technical reviewer and the decision-maker. I've brought some of those with me today, the most important, I think, being the Best Practices Guide for Recycling Aggregate.

We have also placed ads in trade publications, made presentations to groups and committees, and met with politicians, councils and engineers from several municipalities.

We've created a website, aggregaterecyclingontario.ca, so that people and decision-makers can learn more about aggregate recycling. The website will also soon be expanded to have a comprehensive list of current research on recycled aggregates, designed to provide one central place to source research material.

Last fall, ARO hosted a one-day forum that attracted 120 municipal and consulting engineers, provincial staff and assorted stakeholders from across the province to talk about the topic. This forum featured intense discussions and excellent guest speakers, including the head of the UK's recycling initiative. We are currently planning a follow-up forum for the fall of this year.

Last year, TARBA created the Best Practices Guide that we're now promoting to the industry province-wide. We acknowledge that some of the pushback that we get from municipal engineers is based on isolated but nevertheless legitimate concerns about contamination issues that stem from the early days of recycling. It's our position that provincial standards and specs are appropriate for buyers and sellers and that both sides need to acknowledge that they will rigorously apply those standards, as appropriate. This means that recyclers commit to providing a quality product, and municipalities commit to recognizing those qualities by designing their projects and tenders accordingly. We expect that these best practices will be revised in the future as we gain insight and new information from all of our partners.

In light of fears regarding the performance and durability of recycled aggregates versus primary materials taken directly from a pit or quarry, OPSS 1010 was developed by engineers from MTO and the Municipal Engineers Association in 2004. This specification is very prescriptive about the composition of recycled aggregate materials to be used in roads, trails and as backfill. It also contains a rigorous and comprehensive testing protocol that ensures a quality product that is just as good as or better than primary aggregate in these applications.

When ARO was formed, we quickly realized that there is little information available about recycling rates or facilities in Ontario, so we have created and distributed two surveys, one for the largest 119 municipalities and one for our producers.

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The information received from these surveys will help us understand the existing situation and attitudes towards recycling. The results from the municipal survey trickled in last fall, and our more recent producer survey is currently in the field. This latter survey should tell us some very pertinent details about the state of recycling in Ontario and provide us a benchmark to guide and evaluate future efforts.

It should also be pointed out that the demolition industry is separate from our activities. They manage huge volumes of broken concrete and aggregate materials that may or may not be recycled, reused or even counted. We plan to explore options to address this and will follow up as appropriate with provincial officials to determine how to quantify demolition material volumes and destinations.

We expect that most, if not all, of the regulatory or legislative changes designed to bolster aggregate recycling are actually outside of the Aggregate Resources Act, but this review has proven to be an excellent vehicle to discuss and advance the recycling agenda. Permitting recycling facilities as of right in new or existing pits and quarries is one area that ARO feels could be addressed in a revised ARA. We envision that, in the future, regulators would consider that aggregate recycling is a standard part of every licensed or permitted pit or quarry in Ontario.

Non-ARA recommendations could include changes to the provincial policy statement so that it requires municipalities to provide for aggregate recycling facilities; directions to all levels of government and their agencies to include recycled aggregate in their green procurement policies; assistance seeking greater recognition for the use of recycled aggregate in the LEED certification program; and an MOE review of the conditions that permit the landfilling and lake filling of used concrete materials.

We also plan further research to determine how recycled aggregate is referenced in municipal official plans and existing green plans and, in the future, hope to explore how changes to building codes and product specs could assist us in developing a much more successful recycling rate than is currently the case in Ontario.

I know that there has been considerable discussion about recycling during your deliberations and I hope that I've been able to clarify the situation as it exists today and tell you what industry is doing to address serious flaws in the overall approach to recycled aggregates that currently exists in this province. ARO is committed to overcoming these challenges, our members believe strongly in recycling, and we look forward to working with you to advance this important agenda.

Thank you. I'd be happy to answer any questions.

The Acting Chair (Mr. Joe Dickson): Thank you very much, Ms. Miller. We will go to the Tories. By the way, your timing was excellent.

Mr. Michael Harris: Moreen, thank you for your presentation. You mentioned ways to increase recycling, from financial incentives to material bans in landfills. A

quick one of two: Are there any material bans in landfills currently in Ontario at all?

Ms. Moreen Miller: There are restrictions in many municipal landfills, but not all. The landfills, I think, are making a concerted effort to direct most of this material into a recycling stream, but it's still often not.

Mr. Michael Harris: Thank you. Just quickly, of the top-five consuming municipalities for aggregate—or even 10, should you know—how many of them allow for actual recycled materials in their specifications? I don't know if you have that off the top of your head: top five, and do any of those actually allow for recycled materials or not?

Ms. Moreen Miller: In the top-10 producing municipalities, I would say that three out of 10 allow for recycled aggregates routinely in their tenders, and the other seven do not.

Mr. Michael Harris: Thank you.

The Acting Chair (Mr. Joe Dickson): We'll now go to the NDP.

Ms. Sarah Campbell: Thank you for your presentation. In your presentation, you noted that permitting recycling facilities as of right in new or existing pits and quarries is one way that the ARO can encourage more recycling to take place.

In other discussions, we have had some members of the public who have expressed some concerns about recycling in pits and quarries when already there has been so much use that it's close to the surface water. They're saying that when you recycle these materials that have contaminants in them, you run the risk of possibly contaminating the area and the groundwater. Do you think that those concerns are warranted? Do you think that there's a risk of surface contamination where recycling takes place?

Ms. Moreen Miller: There are already clear rules and regulations in the Aggregate Resources Act to take into account the storage of recycled products within licences, so I think the fear of contamination is very limited. The biggest advantage to having this in a pit or quarry, though, is to allow for the use of what we would call materials that are too fine to make a product otherwise, so they would be materials that were a very fine sand. Without a coarser material to mix with them, we can't make a product out of it. So, in fact, it's encouraging the sustainability and the full use of the product to its highest, best use. I think the other pieces are easily manageable as we move forward to gain that sustainability.

Ms. Sarah Campbell: Thank you.

The Acting Chair (Mr. Joe Dickson): We'll now go to the Liberal Party.

Mr. Mike Colle: Thank you, Moreen, for the presentation, especially for the recommendations about how we could, maybe, incorporate some of these recycling activities within official plans and how we can also include it in the LEED designation and certification.

I guess the other thing is: How do we ever get the association of engineers of Ontario to ever come forward with a rationale of why they basically discriminate

against aggregates? Perhaps what I'd like this committee to support is a request that we write a letter to the Municipal Engineers Association of Ontario asking them if they could explain to this committee their policy on the use of recycled aggregates. If we could do that—and maybe also write a similar letter to AMO asking for the same clarification. That way, I think we might be able to elicit some responses on paper rather than these ad hoc responses we've been getting from various municipalities. So if the committee would agree to that, I'd like to make those two requests.

Ms. Sylvia Jones: I would suggest you add ROMA to that as well.

Mr. Mike Colle: Yes.

Mr. Michael Harris: And possibly even the city of Toronto, because they're not members of AMO, right?

Mr. Mike Colle: Yes, and their policy—

Mr. Michael Harris: A direct letter to them.

Mr. Mike Colle: —on the use of recycled aggregates.

Interjections.

The Acting Chair (Mr. Joe Dickson): It shall be done.

Thank you very much, Ms. Miller. Well done.

KARSON AGGREGATES

The Acting Chair (Mr. Joe Dickson): I would ask the representative from Karson Aggregates to come forward. Welcome, sir.

Mr. Erwin Schulz: Good afternoon. My name is Erwin Schulz. You just watched a 20-minute presentation condensed into 10, but Ms. Miller is a lot smarter than I am and a lot younger than I am, so you're about to see a three-minute presentation dragged out to 10.

Good afternoon. My name is Erwin Schulz. I'm the vice-president of Karson Aggregates. We appreciate the fact that you have taken the time to come to Ottawa to hear a non-GTA point of view.

This is the Hansard. I spent a lot of time going over it on the weekend. I have absolutely no idea how many written submissions that you might have—I can only imagine—but reading at least this much of it gave me an appreciation of the task ahead of you. I have a confession to make: Yesterday morning, when it was time to go to church, I stuck my nose just a little bit deeper into this book; my wife took one look at me, shook her head and went to church by herself.

In preparation for this deputation, I asked myself: What can I possibly add that hasn't already been covered? What information can I possibly present that hasn't already been presented? It's all here: 350-plus pages; some 60 or so different presenters. You've seen it all and you've heard it all. Any information that I might provide would simply be a regurgitation of information that you already have.

Everyone who has presented wants to influence the outcome of this review. Some of the presenters have appealed to your emotions by recounting personal experiences. Some have appealed to your sense of responsibility

by painting a picture of wanton disregard for the environment. Some have bombarded you with technical information. Some feel that a message repeated 20 times will leave an indelible impression on you. All of these things could probably work, I suppose.

How are you going to filter all this information? What's real? What's noise?

Here we are in Ottawa. I wonder what the seeming lack of participation outside of the GTA might have on you. How do you interpret that? I'd like to address that, because I would hate for you to think that it's apathy. It's not. Ottawa is simply different from the GTA. The city of Ottawa has mapped designated areas for the extraction of aggregates. Some of it is already under licence, but there are reserved areas that are not. This is a city that takes planning and close-to-market aggregates seriously, and because of this approach, this city will benefit from well over 50 years of close-to-market supply. We will go about our business of building our community economically and with a minimum of fanfare.

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Most of the producers are born and raised here. We have established ourselves and our families as part of the community. We help the community where they need help. We try to take care of our neighbours. We have issues, but we work them out.

We believe that the Aggregate Resources Act is a good act. It was written by some pretty knowledgeable people who believed that serving the provincial interest was important. Is it perfect? No. Can it be improved and updated? Yes. But is it broken? Absolutely not.

How can anyone expect this committee to sift through all of this information and come up with recommendations that support the provincial interest? Well, it stands to reason that you will go through a consolidation of similar issues, get a perspective of those consolidated issues, establish some guiding principles and finally come up with some recommendations. I'd like to suggest some ways to gain perspective on several of the overarching issues.

(1) Regulation and oversight: There is a perception evident throughout this Hansard that the aggregate industry is self-regulated. We are not, and neither are the other industries in this province that operate under a similar system. We self-report. This is an extremely important distinction. The industry has an obligation to report non-compliance with the regulation, and the regulator determines the veracity of those reports through the audit process.

Oversight: The common theme throughout this Hansard is that there is not enough oversight—and I mean “the common theme,” and that comes from everybody. How do you fix that? You could hire and train more inspectors, but do you really believe that, given the current fiscal situation in this province, you're going to be able to do that? What if you increase the amount of regulation just to discover that your recommendations have created less oversight? Is that acceptable? What will the public perception of this exercise be? You as a committee will

have to determine that. I suggest you adopt a guiding principle to refer back to during your deliberation, and that is: Any change that has the potential of resulting in less oversight is unacceptable.

(2) **Aggregates and the environment:** Another common theme throughout this Hansard is the “adverse effects of aggregate extraction on the environment.” There is a tremendous concern evident throughout the depositions that this industry and the operations of aggregate sites are having a huge negative impact on the natural environment and the health and welfare of the public at large. My goodness, there are references to Walkerton in here, and as near as I can tell, Walkerton had nothing to do with the aggregate industry; I believe it had a great deal to do with alcohol. But somehow—and I suppose it’s meant for effect—this industry gets linked to that tragedy.

All the hue and cry about environmental Armageddon has spawned more and more sophisticated mechanisms that can be used to stop applications, such as the precautionary principle. The precautionary principle or precautionary approach states that if an action or policy has a suspected risk of causing harm to the public or to the environment, in the absence of scientific consensus that the action or policy is harmful, the burden of proof that it is not harmful falls on those taking the action.

In other words, if you don’t want my granddaughter to open a lemonade stand on the corner, all you have to do is invoke the precautionary principle, and she is required to initiate a series of studies which prove conclusively that lemonade is not harmful. Until such a time as she proves no harm, she will not be allowed to sell lemonade.

Listen: I’m just a simple guy who crushes rock for a living, but as far as I can tell, the precautionary principle is an economic Trojan horse. It’s a virus that’s designed to bring economies to a grinding halt.

I’d like to suggest an alternative. Before you deliberate, I urge you to employ whatever resources are available to you to provide yourselves with a list of licensed aggregate extraction sites that have had a significant negative impact on the environment over, say, the past 50 years and what those negative impacts were. Then ask them to provide that data in two forms: in quantity—how many?—and then as a percentage of the total number of licences operated during that time frame. Then I would take that data breakdown a little bit further. Of the sites that did have a significant negative impact on the environment, which ones occurred during the extraction phase and which ones occurred from the after-use?

History can give us some insight into the future and that data might give you some valuable perspective: What are the known issues, and in order to mitigate the possibility of them happening again, where do you need to concentrate your recommendations?

Finally, close-to-market aggregates, the holy grail: The issue of close-to-market aggregates really boils down to balancing economic and social priorities. I’d like to take the liberty of repeating part of the submission that Mr. Idone and I gave exactly two months ago. The

SAROS report suggests that the massive distribution network for marine or rail is currently not in place and is going to require a dedicated infrastructure program of massive proportion. We can’t imagine how and when this will happen, so the short answer is, if you go further from the market, we’re going to truck it.

The province’s current infrastructure budget is \$35 billion over three years. We realize that without increasing taxes, cutting programs or, even worse, borrowing money, the \$35 billion is a finite pot of money.

Over the three-year period, the province will produce approximately 510 million tonnes. Let’s make an assumption, because Ottawa has close-to-market aggregate, that 50% of the aggregate will remain close to market. That leaves 255 million tonnes that we need to truck. Now, we know from the SAROS report that public authorities consume 60% of that aggregate. Again, from the report, the average cost of delivering one tonne of aggregate to the market in 2009 was \$9.46.

We can tell you that the cost of owning, operating, maintaining and realizing a return on a truck is about 10 cents per tonne per kilometre. If we have to go another 250 kilometres for the aggregate, the cost to the province’s aggregate supply has increased by \$3.8 billion, or 11% of the infrastructure budget.

The Acting Chair (Mr. Joe Dickson): You have one minute, sir.

Mr. Erwin Schulz: Did you say I have less time?

The Acting Chair (Mr. Joe Dickson): Just one minute, sir.

Mr. Erwin Schulz: Okay.

We realize this isn’t going to happen in the next three years, but it gives us a pretty realistic picture of the future.

We leave it to you to decide. Once you have debunked the myths and filtered out the noise, ask yourselves, “What are the true consequences of increasing the cost of aggregate?” The answer will undoubtedly be this: An increase in the cost of aggregate will result in an increase in the budget deficit or an increase in the infrastructure deficit; most likely an increase in both. In our opinion, making decisions which increase the budget and infrastructure deficits will result in damage to our fragile economy and consequently reduce the social well-being of our communities. That should be unacceptable to all Ontarians.

This industry didn’t create consumer demand, but we simply service it. In the end, we have no choice but to go where Mother Nature put the aggregate. All of it—and I repeat, all of it—comes from a hole in the ground. From that hole, we get the materials that are required to build our communities, maintain a healthy economy and preserve our social well-being.

Thank you for your time.

The Acting Chair (Mr. Joe Dickson): Thank you very much, Mr. Schulz. We appreciate you being here.

Just before I go to the NDP, I’d just like to mention that I just noticed MPP MacLaren in the audience. Thank you for being here, Jack. And I will go to the NDP.

Ms. Sarah Campbell: Thank you for your presentation. The question that I have for you is that many presenters have suggested that we aren't necessarily paying the true cost of aggregate production. We've also heard, as you've mentioned, that a lot of people believe that we have a deficiency in the oversight. When you add the two together, it looks like we may be going towards an increase in levies—

Mr. Erwin Schulz: I don't know why one would have anything to do with the other.

Ms. Sarah Campbell: As you mentioned the deficit and how money seems to be tight provincially, it's a suggestion. My question is this: As somebody who works in the aggregate industry, what do you think would be a fair increase in the levy?

Mr. Erwin Schulz: First of all, let's understand what the levy is and what the levy is for. If the levy is to increase oversight, that would be a good thing. But you've got to understand that there are probably only two ways of increasing that oversight. One is consolidation of all the acts, bringing it in so that the finite number of people you have now can do more, or you would take the levy and you would have a dedicated third party—you might take the MNR and take the policy and planning and leave that in government and create a third party agency and you would fund that through a levy. You would be able to give them gas for their trucks; you'd be able to train them in a lot more of the acts, to be well trained and then have more oversight.

1530

We, as an industry, want more oversight. We consider that to be an integral part of the partnership that we have with the public. We're under 26 different acts. Okay? You've got to understand that it's very, very difficult to be on the ball all the time, so we invite more oversight.

If you're talking about—

The Acting Chair (Mr. Joe Dickson): Just 10 seconds to wrap up, sir.

Mr. Erwin Schulz: If you're talking about just a levy that goes into government coffers, that's just another tax. If it's not dedicated, it's simply another tax.

The Acting Chair (Mr. Joe Dickson): Thank you. We'll now go to the Liberal Party.

Mr. Mike Colle: Thank you, Mr. Chair.

Again, it's the second time I've heard you, and you are a very eloquent rock crusher and a well-educated one, I would say. I don't know where you got your information from, but you certainly are very, very articulate in your presentations and I appreciate that. I think the committee does too.

Just one thing I'm not clear on: You're talking about more oversight, yet on the other hand there are already 26 different acts that the aggregate industry is under. I'm not quite sure how we who are asked to refocus this Aggregate Resources Act can maybe trigger that sort of blending of more effective oversight—

Mr. Erwin Schulz: Mr. Colle, the 26 different acts and regulations that we are under all require some sort of oversight, and all of the different ministries that have

them might spend a little bit of time at each one of those. What we're talking about is oversight from the Ministry of Natural Resources or someone like the inspectors at the Ministry of Natural Resources who would be more educated, more trained in more of these acts and could come in and help us. They could say, "Mr. Schulz, you've got a problem over there and you've got 10 days to fix it."

The Acting Chair (Mr. Joe Dickson): Thank you. We will now go to the Tories.

Mr. Mike Colle: A point of order: Could I just also ask for what the presenter asked for? He asked to see if we can get any information on the environmental jeopardy that various pits have created, if there's any kind of listing of that by MOE or anybody. I think that's what you asked for at the beginning.

Mr. Erwin Schulz: Yes. I think if I were you, I'd want to know that.

Mr. Mike Colle: Yes.

The Acting Chair (Mr. Joe Dickson): I think he does have that.

Mr. Mike Colle: If we could make that request—

The Acting Chair (Mr. Joe Dickson): In the words of the Bible, it shall be done.

We'll go to the Tories, please.

Ms. Sylvia Jones: Thank you, Mr. Schulz. You raised—and I'm glad you raised it. At the beginning of your presentation, you said don't assume, because we have a fewer number of presenters in Ottawa, that it's for lack of interest. Then you talked about how Ottawa, as a municipality, has mapped out their aggregates, including the reserve. In the GTA, in the town of Caledon, they have done the same. It's actually embedded into their official plan.

Is that something that you would recommend the committee look at to bring some knowledge for both consumers and producers as to where the aggregates are so that future planning can be done?

Mr. Erwin Schulz: Absolutely. The designation of the source, where the aggregates are, is a process that isn't done by a proponent such as an aggregate producer. It's done by the municipality and it's a recognition by the province and the municipality that the aggregate is here and we need to extract it from here. We can't let ourselves be swayed from that, and we have the political will to get it extracted from here, because that's where it is.

Ms. Sylvia Jones: So you would recommend that—

The Acting Chair (Mr. Joe Dickson): Thank you very much, Mr. Schulz. We're over our time. We appreciate you being here, sir.

G. TACKABERRY AND SONS CONSTRUCTION CO.

The Acting Chair (Mr. Joe Dickson): I would ask for representation from the G. Tackaberry and Sons Construction Co. Welcome, Mr. Dopson.

Mr. Benjamin Dopson: Hi. Thanks. Good afternoon, ladies and gentlemen. My name is Benjamin Dopson and

I'm the property and environmental coordinator for G. Tackaberry and Sons Construction Co.

On behalf of our company, thank you for having us here today to present. We thank you for coming to Ottawa and going to the different parts of the province to see. We think you'll find that the opinions of the area vary across the province. We feel that you'll get a more informed overview of the act by doing this.

A review of the Aggregate Resources Act is necessary, and in no way do we oppose it. Having said that, we do not believe that sweeping changes are needed for the act, but minor adjustments that will address some of the issues and concerns that have arisen over time.

Tackaberry Construction is headed in Athens, Ontario, which is a small town. We also have divisional offices in Perth, Kemptville and Seeleys Bay. In total, Tackaberry Construction holds 50 licences that are spread out from the town of Joyceville near Kingston, Ontario, throughout the united counties of Leeds and Grenville and north into the county of Lanark.

The reason that I bring this up is, we are a rural company. We operate in rural areas; we complete our work in the rural areas. Throughout this review, there have been some suggestions made of where aggregate extraction should occur. While we view the siting of aggregate extraction as a provincial policy matter and not one under the ARA, we feel that as a rural company, it is important that our view is heard on this subject.

A common suggestion is that the siting of aggregate licences should be based not on a close-to-market policy but on a policy that would see aggregates extracted from rural areas and transported into urban areas. As one speaker repeatedly put it, "Go north." We would argue that going north or east or west has the potential for greater concerns and fewer solutions.

For one, transportation costs are already a significant portion of aggregate prices, and they will only continue to increase over time. Sufficient infrastructure does not exist to accommodate the shipping of large quantities of aggregates. The construction of a new transportation corridor that could handle the volumes of aggregates that we're talking about would not only have short-term but long-term environmental impacts.

Quality aggregate deposits do not move. By using the rural resources at a higher rate and sterilizing others, we are ensuring that a shortfall of material will occur in the future. It is becoming increasingly hard to find areas even in rural Ontario where materials aren't sterilized by a natural feature or development. If we're going to use these resources, we need to have them more strongly protected.

Rural aggregates are needed for rural projects. By asking rural sites to meet the demands of the entire province, the price per tonne of material will be increased significantly. This will mean that rural communities with a smaller tax base and less revenue will be forced to do fewer infrastructure repairs and upgrades every year. This comes at a time when a recent report from the Eastern Ontario Wardens' Caucus found that rural com-

munities are falling behind in maintaining their infrastructure.

Establishing aggregate sites close to market is a proven policy that has worked, worked well and worked across the province. We do not believe that it is practical or reasonable to limit by geographical region where aggregate extraction can occur.

It is harder and more onerous now than ever before to obtain a new licence or to upgrade an existing one. The process has become confusing and frustrating for all involved. The numerous pieces of federal and provincial legislation that cover the aggregate industry create a web of duplicity and inefficiency that we believe can be adjusted to make the process more transparent and restore the public's faith.

As an example, the current process for upgrading a licence from a class B to a class A is the same as getting a new licence. We do not believe that this should be so. There should be a streamlined process that expedites these requests. In addition, class B licences are no longer financially viable and, in our opinion, should be removed from the act while simultaneously giving all existing class B licences the option to increase their annual tonnage. These small changes will effectively increase the amount of resource available in the short term and reduce environmental impacts, all without establishing new sites.

As well, it is now common that a licence requires several approvals from the Ministry of Natural Resources as well as other ministry bodies. We believe that a site plan should function similarly to a comprehensive environmental compliance approval under the MOE and that all approvals needed from MNR are given on that site plan. This would improve the efficiency and reduce some of the confusion.

Further to making site plans a comprehensive document, we believe that the current standards for progressive and final rehabilitation should be upgraded to encourage producers to design innovative landscapes that add a positive benefit to the community. As a company, we try to incorporate and consider the local vegetation and wildlife in all of our rehabilitation projects. In addition, with growing concern around the protection of habitat for species at risk, we try to create new features or add to existing ones to help these species.

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We also believe that establishing a program that recognizes innovative rehabilitation and partnerships between producers and other organizations would produce more unique landscapes and more rehabilitation in general.

While we do believe there are opportunities to increase rehabilitation plans, the industry has been creating useful, unique and healthy environments for years. The rehabilitation of extraction sites provides opportunities for communities to work with producers to add value to the local environment or infrastructure that otherwise might not be affordable. This is especially true in rural areas. We have several rehabilitation sites that we will be

eventually developing into public parks and recreation areas and we'll be turning them over to the local municipalities. These sites will provide lasting benefits to the local community for years and, we believe, show that aggregate extraction is a temporary land use.

The consultation process is set out in the provincial standards and allows for public input through the EBR, a public meeting and a local consultation process. There have been suggestions that this process should be increased in length. In our opinion, this decision should be made on a site-by-site basis.

We concede that there are areas within the province where an increased consultation process may be effective for both the public and the producers, especially in areas where there are greater concerns or higher population density. However, in rural areas where population is widely spread, increasing the commenting period will only delay the progress of an application.

As an example, with our most recent application, we received no comments from the public, we received no comments through the EBR, and we had no one attend our public information session.

Make the option for an increased public consultation period a decision made by MNR staff that is utilized in appropriate situations.

The aggregate program under the Ministry of Natural Resources has been significantly reduced in recent years. Funding has been cut and there are fewer inspectors to administer the act. MNR has the appropriate knowledge and experience required to manage aggregates, but needs increased funding and resources to effectively carry out their duties under the act.

For example, the local MNR district in Kemptville has approximately 500 licences and two inspectors. That's down from three inspectors in 2010. If an average work week of an inspector is 37.5 hours and each inspector works for an average of 48 weeks a year, that's approximately 1,800 work hours annually. If an inspector is responsible for half of those sites—250—that leaves him 7.2 hours for each licence. This is simply not enough time to administer the act effectively across that number of sites.

Having said that, the ministry has made significant changes in the past year to how they administer the program. The introduction of mobile workstations, a new inspector's guide and a methodology for identifying high-priority sites show that MNR is committed to enforcing the act as effectively as they can. However, additional funding is still needed to make sure that these efforts are not wasted.

In closing, we have several suggestions that we would like you to consider in your review.

—Maintain the current policy of establishing aggregate sites close to the market.

—Remove class B licences and allow existing class Bs to have an annual tonnage increase through a streamlined process.

—Site plans should be developed in a manner similar to MOE's comprehensive environmental compliance approvals.

—Promote innovative rehabilitation plans and partnerships between producers and other organizations.

—Establish a system that recognizes and rewards innovative rehabilitation on a provincial level.

—Increased consultation periods should be assessed on a site-by-site basis by MNR, and not as a blanket change.

—MNR has made significant efforts to revitalize their enforcement program, but additional funding is still needed.

—The administration of the act should remain under MNR, as they have the experience necessary to effectively administer the act.

Thank you very much.

The Acting Chair (Mr. Joe Dickson): Thank you very much, Mr. Dopson. We will go to the Liberal Party.

Mr. Mike Colle: Thank you very much, Benjamin. Very well presented and thought out, and I know you put a lot of work into it. I think this is very helpful. It's very comprehensive—and with some very good suggestions.

I'm just trying to get my head around the fact that we do need more inspectors—you made that very clear—and then the reality is that all ministries are being asked to constrain their budgets. Any ideas on how we might get more inspectors out there without asking MNR to go to the treasury for more money?

Mr. Benjamin Dopson: Well, I think you've heard a lot of suggestions about that. One way that has been suggested is an increase in the levy and then it going to a purpose account that goes to MNR to fund—

Mr. Mike Colle: That might be directed towards more inspection and more oversight. That's a good idea.

The other thing is, could you just briefly explain this abolition of class B licence process that you're talking about?

Mr. Benjamin Dopson: A class B licence is a licence where you're allowed to extract anywhere from zero to 20,000 tonnes but no more.

Mr. Mike Colle: Fewer than 20,000, okay.

Mr. Benjamin Dopson: Yes, and class A is 20,000 to any amount. It's unlimited. So what we were finding a lot in the rural areas is that farmers would go and get class B licences. Now they are being bought up because material is worth so much. So, I mean, we own quite a lot of class B licences. However, because of the tonnage, we're limited in how much we can take out of there. We end up hauling from further away on other sites because once we get to 19,999, we can't take any more out of there. So if you allowed those to be upgraded to class A, you would reduce the environmental impacts and make the resource more efficiently used.

The Acting Chair (Mr. Joe Dickson): Thank you very much, sir. We will now go to the Tories, and you actually have a few extra seconds. You got short-changed on the last one.

Ms. Laurie Scott: Oh, wow. Joe, thank you.

Thank you very much for appearing here before us today. I represent rural communities, all of which have aggregate extraction. I'm up in the hundreds, easily, for my riding of Haliburton-Kawartha Lakes-Brock.

We saw today on our tours of the area some abandoned sites and some rehab sites. It was interesting that for some rehab sites, they commented that even the conservation authorities did not want to take them back as part of the conservation authority lands. So when you were mentioning about working with municipalities, I just wondered if you had already started that process of saying, "This project is rehab," and just wondering if prior steps can be taken so they don't face what they seem to face today, which is the conservation authority or whatever not wanting to take rehab sites over.

Mr. Benjamin Dopson: Yes, so the process that's going on now, is we're in the process and start of rehabilitation on a lot of these sites. When they're finished, it looks like we are going to make or trying to make an organizational deal where we manage it for so long and aid them in managing it and then that it will be turned over and allowed to, most likely, naturalize in a lot of ways. But still, hopefully through community groups and partnerships with stewardship councils as well as other non-profit groups that aren't necessarily part of the municipality, it will stay part of the management for the area in use.

Ms. Laurie Scott: Okay. It would be great to get those partnerships early.

The Acting Chair (Mr. Joe Dickson): Thank you. We will now go to the NDP.

Mr. Jonah Schein: Thank you for the presentation. I just have a simple question. Is it your assessment that we just simply do not have enough funds through the MNR to properly inspect and have decent oversight?

Mr. Benjamin Dopson: At least in our area, in the Kemptville district, it seems to be that way. I mean, we're already down one full-time position and we've had a number of contract staff who were aiding the two inspectors go through. So it does appear to be a lack of funds and not a lack of knowledge or effort.

Mr. Jonah Schein: Of course. So would you say it's significantly underfunded in terms of resources to inspect?

Mr. Benjamin Dopson: Yes. I don't know how you classify "significantly," but, yes, there needs to be more funds allocated for sure.

Mr. Jonah Schein: Okay. Thanks very much.

The Acting Chair (Mr. Joe Dickson): Thank you for your presentation, Mr. Dopson.

Mr. Benjamin Dopson: Thank you.

R. W. TOMLINSON LTD.

The Acting Chair (Mr. Joe Dickson): I would now ask for the representative from R. W. Tomlinson: Domenic Idone. Welcome, sir. Good to have you here with us. Please feel free to start.

Mr. Domenic Idone: Good afternoon, and welcome to Ottawa, Ontario's top aggregate producing municipality. My name is Domenic Idone and I'm with the Tomlinson group, based here in Ottawa. It is my pleasure to be here before you today to present Tomlinson's views.

The Tomlinson group of companies directly employs over 1,000 people whose employment is related to the aggregate industry. There are thousands more indirectly employed. Our company not only produces the aggregate; we also use and supply the aggregate in the production of concrete and asphalt as well as for the construction of central infrastructure such as roads, bridges, sewers, water distribution systems, homes and hospitals.

You may or may not have noticed the work being done at the Ottawa airport on your way in. The work involved to improve the safety and performance of those runways that you flew in on and which you'll use later to leave will require the use of over 100,000 metric tonnes, or the equivalent of 7,000 dump truck loads, of high-quality aggregate which will be produced here in Ottawa from a quarry less than 15 kilometres from that job site—a quarry close to market.

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The Aggregate Resources Act, or ARA, is not broken. It may be frustrating at times to work through, but it works here in Ottawa and eastern Ontario. Can the act, its regulations and the provincial standards use some updating? More than likely, since it was last revised in 1997. The review is an opportunity to make the ARA application process more efficient, more productive and more transparent for all involved, both proponent and opponent.

It is essential for the province to remain responsible for regulation and control of pits and quarries. Siting and aggregate protection are covered by the provincial policy statement and are outside the scope of the ARA. Ontario's current close-to-market policy is appropriate, is in the public interest and serves Ontario well. These policies have and continue to serve Ottawa well.

Let me illustrate that for you. Back in 1993, the former regional municipality of Ottawa-Carleton and the pre-amalgamation version of the current city of Ottawa undertook an aggregate review to understand what aggregate resources would be required for the future and to designate where aggregate operations should be directed. Close-to-market was a guiding principle; the balancing of other resources was another. In fact, there is only an overlap of 1% between the prime agriculture and bedrock resource areas. That planning exercise had input from many stakeholders, including the Ministry of Natural Resources and the aggregate industry, and was outside the scope of the ARA. That planning exercise and the recommendations that were put forward from it continue to guide planning decisions in Ottawa today, and aggregate development has been directed to the appropriate areas.

We believe that the key to your review of the Aggregate Resources Act is balance. The environment, social

and economic interests need to all be considered and practically evaluated during this review. Giving any one of those interests more prominence over the other is a recipe for failure; not being practical is another. We strongly support aggregate recycling and firmly believe that the best place for this to happen is in licensed pits and quarries. Recycling, though critically important, is not the solution; it is only part of the solution.

Even those who oppose the aggregate industry recognize that a reliable and secure supply is essential for a healthy provincial economy, just as we recognize that the proper management of Ontario's other resources, such as the environment, water and agriculture, is essential to the well-being of the people of Ontario. The ARA is legislation that not only focuses on the management of Ontario's aggregate resources but also ensures the protection of Ontario's other resources.

Let me give you a few examples from Tomlinson's experiences to highlight this point. At our Stittsville quarry, we, along with the other quarry operators in the area, are working together to monitor the cumulative effects of groundwater drawdown due to quarry dewatering. This voluntary program, which has been ongoing for over 10 years, was undertaken to address concerns of local residents during the licensing process. This program, funded entirely by the quarry operators, is conducted by a consultant, and the yearly report is shared with the community, the Ministry of Natural Resources, the Ministry of the Environment and the city of Ottawa.

The same program at our Stittsville quarry was used as a model to develop a similar program at our recently opened Brechin quarry in Kawartha Lakes on the Carden Plain, where there are a number of quarries clustered. Both the Ministry of Natural Resources and the Ministry of the Environment are involved with this program as well.

When our Rideau quarry was expanded in 2005, we worked with the Ministry of Natural Resources to develop a butternut recovery strategy for the species at risk. This predates the implementation of the Endangered Species Act. I feel more than a little proud to tell you that this program we helped pioneer is being used as a template for all types of development applications today.

Currently, we have an ARA application for a quarry before the Ministry of Natural Resources, and we are working with the ministry to develop a strategy to deal with the Eastern Meadowlark and Barn Swallow, two species just recently added to the endangered species list, so that there will be an overall benefit for these species if a licence is granted.

This same application also showed that an adjacent provincially significant wetland was actually larger than what was shown on published natural heritage feature mapping, thus reducing the area available for extraction.

The ARA works. It is, in and of itself, an industry-specific environmental assessment. The standards are high and should continue to remain as such. Pits and quarries do not need to be subject to the Environmental

Assessment Act. This would be a duplication in process to what already exists.

There is more than one market in Ontario. Often, the focus is on the greater Toronto area, but there are other strong markets. Ottawa is one of those markets. The issues that may exist in other parts of the province do not necessarily exist here in Ottawa. While it may be time to undertake a review of the ARA, please don't lose sight of what is working well. The ARA is not broken and it works in Ottawa. The ARA needs updating, but it does not need to be reinvented. A practical and balanced approach is required to ensure a reliable and secure supply of aggregate for a healthy economy for Ottawa and the province of Ontario.

When Mr. Erwin Schulz of the Karson group and I had the opportunity to address the committee back in May, we made the point that if aggregate does not get delivered to our construction sites, the jobs stop. I wanted to impress that point again. If our trucks don't deliver aggregate, the jobs stop. The airport project I mentioned at the beginning of my presentation and similar projects in Ottawa and Ontario would stop. In fact, if the supply of aggregate becomes less secure and less economical, these projects may never start at all.

Thank you for your time, and once again, thank you for coming to Ottawa.

The Acting Chair (Mr. Joe Dickson): Thank you very much, sir. That ends your presentation?

Mr. Domenic Idone: That's it.

The Acting Chair (Mr. Joe Dickson): Thank you. I would like to go to the Tories.

Mr. Michael Harris: You mentioned that the ARA act does not need to be completely overhauled, yet some forums, you suggest, are broken. What would be the number one thing that you would suggest, or area to focus on, for this committee to look at in terms of being broken?

Mr. Domenic Idone: Thank you for that question. We've gone through a number of quarry applications in the last number of years, and one of the things we hear from local opponents is that the process is complicated; the notification process—they didn't know about it; it seems like there's always something underhanded going on, where it's not; we're just following the rules. As a company, I can tell you what we've done. We try to pre-consult now with the communities we go into. We tell them, "We purchased a piece of property. So that there are no rumours going on, this is what we'd like to do." They might not like it, but it's an upfront approach: "Here's what we're looking to do. What are your concerns? Is it water? Is it the environment? Air? Noise?" Getting that form of dialogue early on in the process allows us to understand where the community is coming from, to address it during the process and to have a less confrontational process throughout.

This might be a meeting that's outside of the prescribed process. We say, "We're not going to hold it against you, but just work with us and let's see if we can't come to some common ground." That's what we do

as a company, but what I've heard before is that that has been the major concern: that it's complicated and we don't know what's going on and it's underhanded. But that's not really what's going on; we're just following the rules.

The Acting Chair (Mr. Joe Dickson): If you have another short question, please go ahead.

Ms. Sylvia Jones: Thank you. You mentioned that recycling should occur in the pits and quarries. Expand on that, because I could give you examples where there's recycling in the construction industry but it doesn't necessarily happen where the build occurs. So tell me why.

Mr. Domenic Idone: Sure. Again, we're supportive of it, but why we think it should happen in licensed pits and quarries is: to get the best quality product that you need, most of the time you should be blending with virgin material. That virgin material is in those pits and quarries. The quality control protocols and programs are already in place in those pits and quarries, so you'll get a consistent and quality product in the end. The environmental safeguards are already in place in those pits and quarries. Monitoring of your permit to take water and of sewage discharge—all those environmental safeguards are already there. And from a safety standpoint, all the equipment is already there.

The Acting Chair (Mr. Joe Dickson): Thank you. We will now go the NDP, please.

Mr. Jonah Schein: Thanks very much for your presentation. We heard from somebody else here earlier that they'd be in favour of an increased levy if it was directed to supporting the aggregate industry, and I think I'm impressed by how what I hear is that people want consistency and predictability. Would you see a levy as something that the industry could withstand? Would you suggest that?

Mr. Domenic Idone: I think the last time we were in front of the committee I said, "No, not really." We've heard that people have asked about it, but it's not really—I mean, we think the levy is appropriate right now. If it was to go to the aggregate program, sure. It would have to be appropriate. What that number is, I don't know. What you have to understand is that if it's targeted for the aggregates program to allow for more resources, yes, we would be in favour of that.

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The other thing is—and I'll talk to you from our own standpoint. We operate a quarry up in northern Ontario, about an hour east of Sault Ste. Marie. That quarry originally started as—it wasn't under the Aggregate Resources Act. It was in a non-designated area; it was under the Mining Act. It was under a claim.

We ship a lot of material into the GTA, but we also ship some of the material out into the United States. Now, this is a very specialized rock, so it's a very specialized product. It's not general backfill. It's used for higher-quality aggregates in the GTA. Because of the hardness of the rock, it's used in railroad applications in the United States. That's what these firms are looking

for. So whatever you do for that, as long as the levy is appropriate and it doesn't make us less competitive, yes, we would support that.

The Acting Chair (Mr. Joe Dickson): The gentleman obviously did his presentation very timely, with time to spare. I'll go to the Liberal Party, please.

Mr. Michael Coteau: Thank you, Mr. Chair.

Thanks for the presentation. We've been hearing from different presenters about the environmental issues. Being involved in the quarries directly, have you experienced first-hand any environmental issues that have occurred in your quarries or ones that you're connected to? Then I have a follow-up question.

Mr. Domenic Idone: Yes, we've had some. They're minor issues. We have to monitor during discharge. Sometimes you might get where—again, very technically—your total suspended solids might be higher than the threshold of 25. What we do is we stop until those sediments can settle down and then we'll re-pump it. But we'll report that. We don't keep that from the ministry. We let them know, so the ministry knows.

There are those issues. They're minor issues but they are not things that are of a grand nature that are going to really impact people's lives.

Mr. Michael Coteau: And have you heard of water supplies being affected by aggregate extraction?

Mr. Domenic Idone: We have not. I have not personally. Our operations are closely monitored to ensure that they are not affecting people's water supplies. That's part of the monitoring program. In the licensing process, you determine—especially if you're going to be operating a quarry below the water table, you look at what the draw-down cone is, you look at what the effects are not only to people's water but potential effects on natural features as well: Are you going to under-drain something? You have to say, okay, where do we cut off? Do we go deeper, do we go shallower? If there's a drawdown on people's wells, is it going to affect their water?

And then you don't just model. You also have to get out there and practically test it. That's why we have these monitoring wells between our quarries and people's—it happens in every quarry, between your operation and the people you may affect, so that if you know something's not performing the way it should be, that the drawdown is steeper than it should be and you have the potential to affect people's wells, then you stop or you modify your operations.

Mr. Michael Coteau: Thank you very much.

The Acting Chair (Mr. Joe Dickson): Thank you for your presentation here, Mr. Idone. Well done, sir.

Mr. Domenic Idone: Thank you, sir.

ONTARIO FEDERATION OF AGRICULTURE, ZONE 8

The Acting Chair (Mr. Joe Dickson): I would like to now call on Ms. Pretty-Straathof for her presentation for the Ontario Federation of Agriculture.

Ms. Debra Pretty-Straathof: Thank you very much for the opportunity to present today, and thank you for coming to eastern Ontario to listen to our concerns.

As someone who represents the interests of farmers, it follows that my comments will focus on protecting our primary resource that is our land base. It's not just any land; it's the fertile soil from which our food, fibre and fuel grow, not to mention the feedstock for biochemicals, which is an emerging market in Ontario. This part of Ontario is a microcosm of what you will find across the province. We have some precious, prime agricultural land and a lot of land that is very useful for other purposes.

At this point, I will disclose that our family owns a very small aggregate pit within 100 acres of rural property in Lanark county. The actual pit is only about three acres or so. My mom holds the licence, and a local sand and gravel company has been contracted to extract some of the resources. This is not on agricultural land and is typical of a pit that would be found on many farms across the province. It services a local market and does not allow excavation below the water line. It is kept small to maintain the integrity of the rest of the property and to protect valuable forest resources.

We have some experience with the challenges of rehabilitation, and we have experience with the requirements of government agencies treating all pits the same. They are not.

I will now return to the issue of agriculture. I am a member of a dairy farm family in Renfrew county and I represent about 2,000 farmers in our zone, which includes Ontario Federation of Agriculture members in Lanark, Renfrew, Ottawa and the Arnprior region. I am a member of the Arnprior Region Federation of Agriculture. One of our ongoing concerns is the preservation of productive farmland and how to balance conflicting uses.

This is a non-renewable resource that we are losing at an alarming rate. Housing, recreation, industry, transportation corridors, energy projects, etc. are all competing land uses, and urban sprawl seems to be ever paving over productive agriculture land, so the issue of aggregate extraction is just one more challenge on the list.

While we recognize the need for aggregates, we oppose their extraction from beneath prime agriculture lands. It is distressing that we allow our railroads to tear up tracks, putting more pressures on our roads, and then claim that it's too expensive to move aggregates from more remote regions to where it's needed.

Melancthon township has become a focal point for this issue and is a prime example of the struggle between competing interests. We urge you to move the agricultural production capacity of prime ag land to the top of the priority list within the provincial policy statement. When this land is gone, it's gone. The seemingly endless appetite for building must be met, but not at the expense of food production. Society is going to have to decide how much value they actually place on domestic food production. There appears to be an abundance of good farm land, but there is not.

You have heard a number of statistics over the course of these hearings: that only 0.5% of the Canadian land mass is class 1, and 52% of that is in Ontario; that we have an ideal climate, this summer notwithstanding, for food production. You have been told a number of times that only 6% of Ontario's land mass is suitable for agriculture, and only about half of that is prime farmland.

Make no mistake: Investors and foreign countries are buying up productive farmland on a global scale because food production is a major issue for many nations. Investors are recognizing that in the long term, the ability to produce food and to own the primary agent of that production will reap them dividends in the future. When are governments and society at large going to recognize that productive land is a non-renewable resource that we are treating like there is no limit to its productive capacity or availability? We have seen what happens to other resource industries when we treat them like a bottomless pit. The cod fishery comes to mind.

You have heard other presenters point out that the provincial policy statement says we are to protect farmland but then provides numerous loopholes such as access to aggregates that allow other activities to destroy it. It is naive to think that just because you set topsoil aside, it would ever be returned to the same productive capacity again. Farmers are moving to no-till methods to preserve their land. Those who practise conventional tillage are very careful not to plough too deeply. The soil structure, the microorganisms, etc. all combine to create productive soil. It's not just a few inches of dirt. Maintaining and enhancing the productive capacity of soil takes skill and experience. Scraping it off, stockpiling it, perhaps for years, and then bulldozing it back to approximately what was there previously is not going to return the land to its productive capacity.

Where land is taken from agriculture and where rehabilitation is attempted, we request, as OFA has requested, that MNR must develop and implement an inspection regime to verify rehabilitation actions and achievements that extends to at least five to seven years after rehabilitation has been completed. After that, the rehabilitation goals and objectives for area and soil fertility should be achievable and measurable.

Thank you again for this opportunity to comment. I'm keeping my remarks short.

The Acting Chair (Mr. Joe Dickson): Thank you very much. I appreciate your presentation. I will let my colleagues know that we do have a couple of extra minutes as we go around the table. We will start with the NDP.

1610

Ms. Sarah Campbell: Thank you for your presentation. Now, in your presentation you spent time talking about the importance of maintaining and protecting what prime agricultural land we have in Ontario. Would you go as far as suggesting that the committee examine restricting aggregate extraction to agriculturally unproductive land?

Ms. Debra Pretty-Straathof: That would be ideal.

Ms. Sarah Campbell: Okay. Now, in an ideal world, if you were able to protect some of this land, which classes would you say should be protected?

Ms. Debra Pretty-Straathof: I believe our position is 1, 2, 3 and 4. I would double-check on the actual OFA submission. In this area, prime ag land is at a premium, and the gentlemen that spoke before seemed to be aware of the fact that there's a lot of land around here that has aggregate capacity. It doesn't sound like a lot of it is coming from prime ag, but for the little bit that we do have we'd certainly like to see it protected.

The Acting Chair (Mr. Joe Dickson): Further? We will then go to the Liberal Party, please.

Mr. Mike Colle: Thank you for the presentation. I guess one of the areas that is quite complicated is, when a farmer sells their land to an aggregate producer, is there any disclosure on the part of the purchaser that they're going to use it for aggregate extraction? How does that take place?

Ms. Debra Pretty-Straathof: That's a very good question. I can only speak from small personal experience. We had a large aggregate company from this area—not anyone that's in this room—approach my mother to buy the land. She was assured that she would be able to walk the land, hunt, collect wood, basically use it the same as she has been forever. But when she actually got the purchase contract, of course—to her credit, she read it—they'd be able to cancel all of what they had sold her on within one month's notice. It would be standard practice; that's not illegal, it's not uncommon. But there was some—I would call it slightly misleading on how she would be able to use something after it had been sold, and that's just not right.

Mr. Mike Colle: Because I would think that many families like yours that have been in agriculture for generations would really want to see the land retained for agricultural use. Meanwhile, the aggregate buyers come along and they basically want to make the deal, so there's really no way of a person being protected from that. Have you ever seen any kind of covenants or anything like that?

Ms. Debra Pretty-Straathof: Not personally, but I would say in their defence—I'm not here to speak for the aggregate people—it's a business, it's a free market as long as they follow the rules, and if people understand what they're getting into then you don't have much recourse. You can say no. In this case with our own land, we don't have this. On our dairy farm in the family that I married into we don't have this issue at all. On my original family, the one I was born into, it's more of an issue. But that's not prime ag land; it's actually a perfect place to be taking aggregates out of, except that these people here, they're talking about big projects, the airport and stuff like that. I can understand why they would want it closer. If they're taking it out of appropriately zoned land that's not prime ag land, then great. I understand how it's a problem with the cost of transportation, we all understand that, but at the same time we're busy ripping out railroad tracks and making access more difficult.

The Acting Chair (Mr. Joe Dickson): Thank you very much. I'll now go to the Tories. You have over three and a half minutes.

Ms. Sylvia Jones: Thank you, Chair. Debra, you mentioned that your family has a small pit. How long has that licence been in your family?

Ms. Debra Pretty-Straathof: Many years, I would say. It's been quite a long time.

Ms. Sylvia Jones: And you take something out, or something gets taken out of that—

Ms. Debra Pretty-Straathof: At times it has been kind of dormant, but recently it has been reactivated. But again, we're talking very small numbers of trucks a day.

Ms. Sylvia Jones: Right. Three acres?

Ms. Debra Pretty-Straathof: Yes, like I said—if that. If I might add, I'm not really sure, but I think the way the ministries deal with it—and I stand to be corrected, but I think they're dealt with as if they're all the same. So you get the same paperwork and—

Ms. Sylvia Jones: In terms of the licensing?

Ms. Debra Pretty-Straathof: Yes, in terms of assessing them and stuff like that. And instead of sending somebody out to actually look, they send out a form and say, "Here, fill this out." They're asking the questions that they would ask of the bigger guys. It's a little frustrating. I just reassured her: "Draw a map and say, 'Non-applicable' and send it back to them."

Ms. Sylvia Jones: It's that constant balance, right?

Ms. Debra Pretty-Straathof: Yes.

Ms. Sylvia Jones: Because if the licence application is all about balancing and protecting the environment, then whether you're a one-acre pit or a 100-acre pit, you have to have the same checks and balances to ensure that the environment and the neighbouring property owners are being protected, and the watercourses, etc.

I'm going to segue away from that, because you talked about the provincial policy statements. As you know, no doubt, because you are with the OFA, the PPS has been waiting for a very long time to be updated; I think it's got a five-year review. Are we past five years, waiting for the first five-year review to occur? So my question is more from the federation of ag side: Would you request of the committee or would you ask us to motivate the Ministry of Ag to actually get that review of the provincial policy statement done?

Ms. Debra Pretty-Straathof: My understanding is that it's up for review quite soon.

Ms. Sylvia Jones: It's already—the feedback has occurred, and now we're waiting for the ministry to come back with their comments, as I understand it. Is that different from what you understand?

The Acting Chair (Mr. Joe Dickson): No answer is a bad answer.

Ms. Debra Pretty-Straathof: I'm just trying to get that straight in my mind. I know we've had input, but I didn't understand that it was completed.

Ms. Sylvia Jones: I believe it has been.

Ms. Debra Pretty-Straathof: Okay.

The Acting Chair (Mr. Joe Dickson): Thank you very much for your presentation. Thank you to everyone who was here today. Thank you for the audience. Certainly a lot of us have been impressed with the amount of

research and your actual presentations today. So thank you again. It has been a very worthwhile day. We appreciate your input.

The committee adjourned at 1622.

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Aggregate Resources Act review

Chair: David Orazietti
Clerk: Sylwia Przedziecki

Assemblée législative de l'Ontario

Première session, 40^e législature

Journal des débats (Hansard)

Mardi 17 juillet 2012

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Examen de la Loi sur
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STANDING COMMITTEE ON
GENERAL GOVERNMENTCOMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES

Tuesday 17 July 2012

Mardi 17 juillet 2012

The committee met at 1605 in the Radisson Hotel Sudbury, Sudbury.

AGGREGATE RESOURCES ACT REVIEW

The Acting Chair (Mr. Joe Dickson): Good afternoon, ladies and gentlemen. Welcome to the Standing Committee on General Government, particularly, the aggregate review. We will call forward the presenters. There is a total of 15 minutes per presenter, of which the first 10 minutes is for your presentation. The last five minutes are for questions, and they will be split evenly in party rotation. You have the opportunity to answer questions from the committee. Please give your name and association when you come forward.

SKELTON, BRUMWELL AND ASSOCIATES

The Acting Chair (Mr. Joe Dickson): I would like to commence with the first presenter, from Skelton, Brumwell and Associates, Ms. Anne Guiot. I hope I pronounced that correctly. Am I close?

Interjection.

The Acting Chair (Mr. Joe Dickson): Thank you very much. Welcome. Please join us.

Ms. Anne Guiot: Good afternoon. My name is Anne Guiot, and I'm an aggregate resources planner with Skelton, Brumwell and Associates, a planning and engineering consulting firm in Barrie, Ontario. As a point of clarification, I'm speaking on behalf of Skelton, Brumwell and Associates this afternoon, not Miller Paving, as noted in the agenda.

I'm very pleased to have the opportunity to speak to you today. For the first five years of my career I worked for the Ministry of Natural Resources as a pit and quarry inspector, as they were called then. For the last 23 years I have worked as a consultant in the aggregate industry. I have seen the transition from the Pits and Quarries Control Act to the Aggregate Resources Act and its subsequent amendments. I was on the committee that developed the provincial standards to support the changes to the Aggregate Resources Act in 1997.

Since Skelton, Brumwell and Associates was formed in 1970, our company has assisted many small, medium- and large-sized aggregate companies in southern, eastern and central Ontario with licence applications, the preparation of site plans, compliance assessment reporting and site plan amendments.

aration of site plans, compliance assessment reporting and site plan amendments.

In discussing the role of the Aggregate Resources Act, it is important to understand the context of the provincial policy statement. The provincial policy statement provides policy direction on matters of provincial interest, including aggregate resources, related to land use planning and development. The provincial policy statement provides protection of long-term aggregate resource supply and stipulates: "As much of the mineral aggregate resources as is realistically possible shall be made available as close to markets as possible." This close-to-market policy is appropriate, is in the public interest, and serves Ontario well. It is sound environmental practice and sound social and economic policy. Trucks travelling shorter distances past fewer people and communities just makes sense.

Policies within the provincial policy statement are clear and balanced. The siting of pits and quarries is a policy matter outside the scope of the Aggregate Resources Act and is well addressed by the provincial policy statement.

The province of Ontario regulates and controls pits and quarries. This began in 1971 with the introduction of the Pits and Quarries Control Act. The province recognized that aggregates were vital in terms of the provincial economy and that if local municipalities limited their availability, there would be negative economic consequences. This is equally the case 40 years later in 2012. Nothing has changed in this regard.

1610

There are three parts of the province's aggregate management structure: the Aggregate Resources Act, the aggregate resources of Ontario provincial standards and the aggregate resources program policies and procedures manual. Many of the comments that you have heard requesting changes to the ARA actually relate to the provincial standards or the policy manual rather than the act itself.

There are eight key points I would like to focus on today:

(1) How much can we recycle? Recycling, though critically important, is only part of the solution. Recyclable materials are piling up in the GTA, and there is little market for them. Municipal policy and specifications need to be modified to promote more recycling.

Licences need to be permitted to store/process recycled aggregates for future use.

(2) Where are we going to get our aggregates from? The close-to-market policy is what the industry and urban and regional planning have relied on since the 1970s. They are sound policies that work well with Ontario's varied regional availability and market demands. It does not make sense to move aggregates long distances by truck.

(3) How are we going to move aggregates? If the province wants to shift to reliance on more distant sources of aggregate, then there must be a comprehensive provincial infrastructure strategy with several ministries working together to provide for new rail systems and deepwater ports. Currently in the province, we do not have a rail and water transportation system to support a significant change in the way we move aggregates.

(4) Is the Ministry of Natural Resources aggregate resources program as supported as it needs to be? The aggregate program with MNR needs more financial resources as well as recognition and support. The ARA is a comprehensive act, and good legislation needs people and money to maximize the benefits of strong legislation for Ontario.

(5) Should site plan amendments be appealable to the Ontario Municipal Board? Suggestions are being made that ARA site plan amendments should be subject to an appeals procedure to the OMB. We recommend that this not be considered. ARA site plan amendments generally deal with routine adjustments in the operation of pits and quarries, and in some cases approvals are required quickly to address operational needs. Appeals to the OMB would add unnecessary delays to what are internal operational issues and could jeopardize the operation.

(6) What impact would sunset clauses have on licences? Sunset clauses would establish a fixed time limit on operations and rehabilitation of a pit or quarry. With the exception of a very small number of scenarios, such as a very small resource or a rescue of aggregate material before development in an urban area, we believe that sunset clauses are not good policy because the annual rate of extraction is tied to market demand and it is impossible to say when a site will be depleted. Having a defined end date could lead to premature closure of pits and quarries when there is still aggregate resource remaining to be extracted. This would require additional licensing of new reserves. Finally, leaving available, viable sand, gravel and stone in the ground represents poor resource management of a non-renewable resource.

(7) Is an environmental assessment required instead of or in addition to an ARA application? The ARA contains many of the same environmental and community requirements that are included in an environmental assessment. Reports are required, there is a requirement for public notification, consultation and an information session, and there is a requirement for attempts to resolve objections. The environmental assessment process is one that relates to public projects and provides an opportunity for expropriation of private lands. The ARA licences are on

private lands with no ability for expropriation. They are simply different legislations for different purposes.

(8) Are pits and quarries being rehabilitated? Rehabilitation is ongoing within the industry, from returning land to agriculture; to developing new land uses, such as commercial, residential and industrial areas; to creating natural habitats that never existed before—so much so, in fact, that the legacy and history of the industry is being lost. Most people do not know their local plaza, park, playground or pond was previously extracted to build the infrastructure around them. The ARA has provisions to require progressive and final rehabilitation, and establishes the enforcement abilities to make sure it happens. Additionally, the State of the Aggregate Resource study made a number of recommendations on how rehabilitation can be increased.

In closing, I would like to put forward the following recommendations for your consideration:

(1) This is an opportunity to update the approval process for the licensing of pits and quarries through revisions to the provincial standards. Goals that everyone could benefit from include increased efficiency and transparency and reduced duplication and duration. OSSGA has provided some specific recommendations for changes to the provincial standards, which we support.

(2) The ARA should be amended to automatically permit all licensed pits and quarries to import, stockpile and process recycled asphalt, concrete, glass and brick.

(3) Approvals for site plan amendments must be allowed to proceed concurrently between ministries, and be reviewed and approved in a timely fashion consistently throughout the province.

(4) An increase in the licence tonnage fee is an opportunity to provide additional funds to the province to run the program, municipalities to assist with road repair costs, and the Management of Abandoned Aggregate Properties program to rehabilitate pits and quarries that have never been licensed under the Aggregate Resources Act. However, any increase in fee must come with a requirement that the increased money will be directed to a dedicated, special-purpose account to be used for those specific purposes only. This is only fair to the industry and to the public.

(5) Considerable time, effort and money went into the State of the Aggregate Resource in Ontario Study. Recommendations provided through the six papers and the committee's summary report should all be reviewed as part of the standing committee's review of the Aggregate Resources Act. MNR should proceed with implementing these recommendations.

The Acting Chair (Mr. Joe Dickson): You have one half of a minute to wrap up.

Ms. Anne Guiot: Thank you. It is essential that the province remain responsible for regulation and control of pits and quarries. The province needs to stand behind the strong provincial legislation it has developed since 1971 and ensure that the act is implemented comprehensively to keep Ontario's aggregate resources management on

track for the short term and for future generations. The ARA is not broken, but it is time for an update.

Thank you very much for your time and interest. I'd be pleased to answer any questions you have.

The Acting Chair (Mr. Joe Dickson): Thank you very much for your presentation. We'll commence the questions on my left, your right, with the Tory party.

Ms. Sylvia Jones: Thank you very much. We have heard consistently about close to market, but no one—I'm hoping you're going to break my spell—has been able to provide the committee with the magic number that says, "This is close to market, and this is not." What's the magic number?

Ms. Anne Guiot: I don't believe there is a magic number.

Ms. Sylvia Jones: But if it's close to market, then is that 100 km, 50 km, is that 500 km? If there is an argument for close to market, then what is close to market?

Ms. Anne Guiot: There are so many variables that can go into what determining close to market is. High-specification aggregate that is more difficult to find and more costly to produce will tend to travel much farther to provide materials for our asphalt highways and concrete highways, whereas local sources that are used for road repairs can come from smaller pits that just travel a few kilometres. So I don't believe that there's one magic number. We want to access available resource and use it to the best opportunity it can be made available for, as close to the source of the material and the market as possible, and I don't believe a number is associated with that.

The Acting Chair (Mr. Joe Dickson): I will now go to the NDP for questions.

Ms. Sarah Campbell: Thank you for your presentation. In your presentation, you stated that municipal policy and specifications need to be modified to promote more recycling. I think this has been an ongoing effort. I'm wondering if you think that the committee should consider going as far as mandating recycling: that a certain amount of content should be recycled depending on certain projects.

Ms. Anne Guiot: There's progress being made in that regard with the recycling forum of Ontario, that has been working on issues such as those. Certainly, there are areas that provide for more recycling than others, and those that don't allow or engage in much recycling could benefit from a push or a pull in that direction.

1620

Ms. Sarah Campbell: Can you elaborate on your statement that licences need to be permitted to store and process recycled aggregates for future use?

Ms. Anne Guiot: This is not a standard approval. Any site plan that a licensee operator has must have that provision included on the site plan. We've had a lot of experience with municipalities not wanting to allow for the storage and processing of recycling materials. They see it as an extra step within that—a licensed pit, when, in fact, it's using the same equipment. It could be the

same trucks, the same storage areas. It's really the best use of a facility to maximize the use of recycled materials.

The Acting Chair (Mr. Joe Dickson): I will now go to the Liberals.

Mr. Mike Colle: Thank you for the very comprehensive presentation—a lot of very sound suggestions we've heard before.

Just on the sunset clauses: Right now, if you get a licence for a pit operation, how long does that licence allow you to operate?

Ms. Anne Guiot: Unless there's a special provision, which is very rare, there is no termination date, if you will, on a licence.

Mr. Mike Colle: So you think that's reasonable; in other words, that in perpetuity, you could have an open-ended licence?

Ms. Anne Guiot: What I'm suggesting is, to put a termination date on a licence is unreasonable; to say, on a licence, that it could only function for a period of 10 years would be unreasonable.

Mr. Mike Colle: But what about a reasonable length of time, let's say 40, 50?

Ms. Anne Guiot: If there were provisions for reassessing that time period, the amount of material left in the ground, the progressive rehabilitation that has been ongoing, the amount of additional aggregate reserves that might be able to be licensed in adjacent lands, that would be a different scenario than establishing a "sunset clause," which, as I understand that term to mean now, is that at the end of that period, it would have to be shut down rather than it would have to be looked at or reconsidered as to the—

Mr. Mike Colle: So you would not be opposed to having some kind of assessment or review to see at what state the pit is at. We have a case presented to us in Brantford where it had been basically dormant for over 30 years; now, all of a sudden, it's operational again—there has been a total change in the urban land use, and the person is starting to operate again, saying, "Well, I have a licence in perpetuity, so I can extract whenever I want."

Ms. Anne Guiot: To me, the scenario you presented would be different than a sunset clause and is worthy of discussion.

The Acting Chair (Mr. Joe Dickson): Thank you very much, Ms. Guiot—I hope I got closer the second time.

Ms. Anne Guiot: It's okay. Thank you.

The Acting Chair (Mr. Joe Dickson): Thank you for your presentation.

PIONEER CONSTRUCTION

The Acting Chair (Mr. Joe Dickson): I would like to call forward Malcolm Croskery from Pioneer Construction. Welcome, sir.

Mr. Malcolm Croskery: Good afternoon. Thank you for taking the time to travel to northern Ontario. My

name is Malcolm Croskery. I'm the regional manager of Pioneer Construction.

Pioneer Construction was first established in 1938. Its head office is located in Sudbury. We have offices in Thunder Bay, Kenora, Sault Ste. Marie and North Bay as well. Primarily a construction company with aggregate resources across northern Ontario, we're a vertically integrated company, from aggregate processing, asphalt plants, road construction, and our workload ranges from parking lots to \$60-million highway expansions and projects such as open-pit mining. Pioneer employs hundreds of employees, and during construction season employs substantially more.

You've heard it many times, but I wish to reinforce that aggregates are the backbone of the entire construction industry. It's pretty simple that construction just can't happen without it. Whether it's a road, building, bridge, school, hospital, it can't be done without it. In 2010, the infrastructure stimulus spending would not have been possible without aggregates.

It's important to understand that northern Ontario is unique. We have a lot of small owner-operator pits. We have pits and quarries that don't see a lot of activity, unless there's work in the given area.

This leads me to my first topic of sunset clauses. Many of our sites are strategically located in areas where demand for aggregates is very low, often sporadic, depending on projects in the area. Some of these sites do not have extraction for periods of years, and sunset clauses would simply sterilize resources at these areas. The cost to continually develop new licences would not make sense, and gravel would be required to travel great distances, costing taxpayers more while doing nothing for the environment and putting more trucks on the road. Many small municipalities already struggle with a lack of capital to repair or replace aging infrastructure. Without pits and quarries nearby, they will not be able to afford to continue.

Such clauses will promote irresponsible management of pits and quarries, which will result in high-grading of deposits, which is a method of extracting the best material and leaving less-quality material behind. This less-quality material may not be suitable for use without blending with higher-grade materials, and therefore, responsible pit operators blend materials to ensure the deposit is utilized to its fullest and do not high-grade. Given the current timeline and uncertainty of obtaining new licences, companies such as ourselves that depend on aggregates could be put into a position where we could be without aggregates, putting our entire business in jeopardy.

Moving on to aggregate levies: You've heard that aggregate levies should be increased. I don't believe it's as simple as it has been described, for the following reasons. Northern Ontario is comprised of many aggregate permits. These permits are on crown land and pay royalty to the crown of a minimum of 50 cents. An increase in the levy would sway any competitive advantage away from aggregate licences, so I believe any

change in the aggregate levy should also be applied to these permits as well. Another note for aggregate permits is, should a holder of an aggregate permit supply material to an MTO contract, the royalty is waived. An increase in the levy will, again, make the permit more attractive in many cases.

I realize there has been some discussion on the topic of aggregates that are shipped to the US. Many believe that we should not ship our aggregates out of Ontario and keep them for our own use. Northern Ontario has several docks that ship aggregate on the Great Lakes, and yes, some of the aggregate goes to the US, as you're well aware. These operations employ many hard-working northern Ontario workers. An increase in the levy will make sale to the US less competitive and could put workers' jobs at risk. I believe that exemptions on aggregate exports should be reviewed if the levy is to be increased.

There is a conflict of interest when a permit is on a mining claim, and the claim is brought to lease. The operator of this permit is not required to pay the royalty; it is deemed to be an operating mine. This has not been a major issue to date, whereas the levy is only 11.5 cents. A substantial increase in the levy would put it offside, leaving a competitive advantage to the permit holders.

We have markets where First Nations have aggregate resources. I have full respect for the First Nations, but given that their pits and quarries are not required to pay royalties or levies, an increase in the levy would result in a huge disadvantage to our operations in these areas.

If the levy increases, my questions would be, where would the additional money go, and who would be responsible to ensure that it's being used for the intended purposes?

I'll move on to recycling. Many critics to our industry believe we do not do enough to recycle. Being in the construction industry, I can assure you, when and where possible, we do recycle. Many construction products are recycled on the job, where oftentimes 100% of the original aggregates are recycled in place with technologies such as cold-in-place processing and expanded asphalt. Where it is not possible to recycle on-site or the materials do not meet the requirements, the best place to complete this action is in pits and quarries, where materials can be blended with virgin aggregates to create products as good as or better than those without recycled material.

Unfortunately, we are limited in the amount we can recycle by the consumers of our products. Aggregate Recycling Ontario, which you heard about yesterday, was introduced to help promote and educate municipalities and other consumers of aggregates to the advantages and benefits of utilizing these materials. With initiatives such as these, recycling of aggregates will continue to develop. I believe that all site plans should be amended to allow recycling as long as sufficient natural reserves are in place to substantiate it.

On to abandoned pits and quarries: As you are aware, there are currently many aggregate sites that were aban-

done prior to the first legislation in 1971 that need to be rehabilitated and are currently being managed by TOARC. Unfortunately, some operators in Ontario still do not manage their sites within the law, and their licences are sometimes revoked. These revoked sites often contain reserves that, since they are licensed, could be operated by another producer who would be willing to clean up the site and operate it properly. However, the opportunity for this to happen does not occur very often. Usually, these sites become a financial responsibility for TOARC to clean up. It seems to make sense that, if the landowners are agreeable, these licences could be made available for other pit operators to run, with the condition that they be brought back to full compliance prior to operation. These pits often have proven resources that should not be abandoned, not to mention that they can be eyesores for many years if they are not managed properly.

To recap: Sunset clauses do not promote the responsible use of aggregate resources and will sterilize proven aggregate resources. Increasing the levy will have large effects on the entire industry. Recycling needs to continue. New partnerships such as the Aggregate Recycling Ontario forum will help to educate and promote the use of recycled products.

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We do not believe the Aggregate Resources Act is broken, and believe, with time, like any other act, it does require a review. We hope the review is used as a tool to update the ARA by eliminating duplication of process and policy, making the application process more efficient for all parties while not losing sight of what works well.

Lastly, it is essential that the province remain responsible for regulation and control of pits and quarries. I do not believe that local municipalities have the expertise or the manpower to complete this task. The outcome would lead to major inconsistency of policy and procedures and likely result in a future shortage of aggregates.

I thank you again for your time in this matter.

The Acting Chair (Mr. Joe Dickson): Thank you very much for your presentation, Mr. Croskery.

Just while I think of it, in the second and third row, if you can't hear the speaker or you can't hear me, please just raise your hand, and we'll make the appropriate adjustments.

At this time, I would like to go to the NDP, please.

Ms. Sarah Campbell: Thank you for your presentation.

Does your company deal with recycled material all that often?

Mr. Malcolm Croskery: Yes, quite often.

Ms. Sarah Campbell: With, probably, MTO contracts?

Mr. Malcolm Croskery: MTO contracts and some municipal work.

Ms. Sarah Campbell: Do you have an opinion about the regulations around recycled material? Do you think

that they're adequate as of now? Do you think that there need to be any changes?

Mr. Malcolm Croskery: Many of the municipalities use the old Ontario provincial specifications, which I think are a good product to basically allow you to use recycled materials. I don't think that we should be forced to use recycled materials because sometimes the recycled materials aren't available and sometimes it can be a competitive advantage for one person over another. I think if you use the old Ontario provincial specs, which are reviewed on a regular basis, then I think that's a good avenue.

Mr. Michael Mantha: I just want to clarify a comment you made: You said your recycling is restricted sometimes by consumers. Can you explain—

Mr. Malcolm Croskery: Well, just by the percentages, and sometimes some owners will not allow recycled materials on-site.

Mr. Michael Mantha: Can you explain the reasons why? Just because they just don't want the recycled—is it just as good? What is your opinion?

Mr. Malcolm Croskery: Lack of education. I think just with the education going forward as it is now, you'll see a change. I think there's a presumption out there that maybe recycled products aren't as good. They just have to learn that it is.

The Acting Chair (Mr. Joe Dickson): Mr. Croskery has allowed us extra time. We have extra questions, so I'll just go around the table to the Liberal Party, please.

Mr. Mike Colle: Thank you for the presentation, sir.

Are you aware of whether or not the city of Sudbury uses recycled aggregates in its road construction?

Mr. Malcolm Croskery: Yes, the city of Sudbury does allow—

Mr. Mike Colle: What percentage? Do you know?

Mr. Malcolm Croskery: It's as per the OPS specifications, so it would be—I won't quote them just in case I get it wrong.

Mr. Mike Colle: We've found out that in most municipalities in Ontario, the engineers basically refuse to use recycled aggregates in their road reconstruction, whereas MTO uses it up to 30%.

Mr. Malcolm Croskery: That's right.

Mr. Mike Colle: So I'm just wondering what Sudbury's number is.

Mr. Malcolm Croskery: Sudbury would be the same as the MTO. It would be 30%.

Mr. Mike Colle: We'll check that out.

In terms of the levy, you made a very good point. We were just up at Gore Bay, at the Lafarge site there. They ship a lot of their aggregates to Toronto, Windsor and the States, and I know they're having a hard time because 75% of their costs are shipping. So if there were a levy increase, this might really hurt their margin. Perhaps what you're telling the committee when you—and this provides jobs to the north. If we're looking at levy increases—and almost everybody agrees there should be some kind of levy modification—we should not look at it as a blanket thing, and look at the impact it might have

on the north, especially when they have to export some of those aggregates into the United States. By the way, they mentioned that we also import some aggregates from the American side at the same time.

Thank you very much for the presentation.

The Acting Chair (Mr. Joe Dickson): Any further questions?

I would like to go to the Tories, please. You have an extra couple of minutes.

Mr. Victor Fedeli: Good day. My name is Victor Fedeli, the MPP from Nipissing.

At the end of your presentation, you talked about simplifying processes. If you had an opportunity to change some of the red tape that was attached, which would your first one or two areas of concern be?

Mr. Malcolm Croskery: I can't speak 100% to it because I don't go through the process on a regular basis; we have people who do. However, the period of time for consultation etc. just seems to be driven on too long, and there always seems to be something new that comes around the corner, be it another species at risk or something else which further complicates the matters, and then brings the timeline further ahead. So I think the whole timing of the consultation period would be one of the things. There are other experts around that could better answer the question, for sure.

The Acting Chair (Mr. Joe Dickson): Further?

Ms. Laurie Scott: Sure. I'll share the mike. Thank you very much for presenting here today. We all want to ask you questions. The crown land you brought up—I just wondered if you could explain that a little bit more, and the levies, because I have some crown land quarries and pits, but a lot of people don't.

Mr. Malcolm Croskery: So on crown land, they pay a royalty; they don't pay the aggregate levy. My understanding is—and I haven't read it, but my understanding is that that just goes to the general coffers and doesn't actually go to the same purpose as the 11.5 cents. So that's at a minimum of 50 cents, and I believe we have operations that are close to 80 cents, but it's on crown land, so it should really not have a competitive advantage against an owned piece of property that's paying the levy.

Ms. Laurie Scott: My riding is Haliburton-Kawartha Lakes-Brock, and so in the Galway-Cavendish and Harvey part I do have some of them on crown land, and the municipalities, of course—they use their roads, but they don't get any of the levies. I kind of wanted to highlight that because it's a fact that we may need to look into when we go further. So we've heard a lot about—a dollar is what some presenters have said, about a dollar a tonne. What do you think about that?

Mr. Malcolm Croskery: I think that a review should be made to understand where the money is going and what the amount has to be. I don't think that I can speak to exactly what it is. A dollar, to me, seems high. Depending on how it was administered, it would definitely create problems in some of our areas.

Ms. Laurie Scott: Yes, because in southern Ontario it's a problem for our roads and bridges and stuff, and municipalities aren't getting enough to do that. But I do like—

Mr. Malcolm Croskery: But the freight haulers and everybody else don't pay the municipality for hauling the material through their roads.

Ms. Laurie Scott: True. Any kind of recommendation, anything—northern, southern Ontario, uses? Not now, but—

Mr. Malcolm Croskery: Well, the geographical location, you could do it separately. It's just a suggestion.

Ms. Laurie Scott: We're looking for suggestions, so I just thought I'd bring that up. Thank you so much.

Do we have any more time there, Chair, or are we good?

The Acting Chair (Mr. Joe Dickson): You have time for one quick question.

Ms. Sylvia Jones: Can I bring the other presenter back? No, I'm kidding.

Mr. Mike Colle: Mr. Chair, I just had a request that we find out what percentage of recycled aggregates the city of Sudbury uses in its road construction program.

The Acting Chair (Mr. Joe Dickson): We do have a note of that, sir. Thank you very much for your presentation, Mr. Croskery. Well done.

Mr. Malcolm Croskery: Thank you.

ROCK LAKE PROPERTY OWNERS ASSOCIATION

The Acting Chair (Mr. Joe Dickson): I would now like to invite James Gomm, president, Rock Lake Property Owners Association. Welcome. Good afternoon, James.

Mr. Jim Gomm: Jim will be fine.

The Acting Chair (Mr. Joe Dickson): Jim? Okay, sir.

Mr. Jim Gomm: Now for something slightly different. We're talking about a different side of this equation today. My name is Jim Gomm. I'm the president of the Rock Lake Property Owners Association. Rock Lake is a recreational lake approximately 45 kilometres south of Sudbury. There are seasonal and recreational residences on the lake.

First of all, I would like to thank the committee for providing the opportunity to present our concerns and recommendations regarding the Aggregate Resources Act.

Our involvement with the Aggregate Resources Act has not been a positive experience. The principal areas of the Aggregate Resources Act that I would like to focus on today are notification, public consultation and information-sharing. I would like to present two examples that clearly show our concerns with the notification restrictions, the public consultation restrictions and information-sharing under the Aggregate Resources Act.

In our first example, in June-July 2010, our association became aware of an approved quarry at the north end of Rock Lake. Our research showed that this quarry is identified as MTO aggregate permit 402032. We contacted the MTO in North Bay and asked about this quarry, the approval process, notification and public consultation. The response that we received from the MTO was: The quarry had been approved by MTO in 2007; MTO aggregate extraction is covered under the group D activities in the MTO class environmental assessment for transportation facilities; under the ARA, only property owners within 120 metres were required to be notified; there was no requirement to place the application on the Environmental Registry due to the class EA exemption; the quarry application was subjected to its own environmental assessment, which was separate from the four-laning project that was going on adjacent to it.

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This quarry was established within 150 metres of Rock Lake, a recreational lake with seasonal and permanent residences. The quarry site was adjacent to a spawning ground for sport fish. The quarry operations would include stripping overburden, drilling, blasting, crushing, screening, hauling and the heavy equipment to conduct this type of work.

We asked the MTO to provide the rationale for this quarry, a copy of the application, site plans and technical reports. The MTO provided the copies at a cost to our association of approximately \$105.

We asked if this quarry was required for the Highway 69 realignment and four-laning project. If so, why was this quarry information not presented at the several Highway 69 public information centres that our association attended? The MTO response was that it was not part of the Highway 69 project. We found out later that this quarry was indeed offered to the successful contractor on the Highway 69 project.

We inquired if the MTO had done a project category and screening process for this project. The MTO response was, "Since these non-commercial pits and quarries do not fall under the MNR class EA process, the MTO did not complete a project category and screening process."

We asked the MTO why they had notified agencies over a hundred kilometres from the site for comments, but refused to contact the grievously impacted property owners adjacent to the quarry site. We never did receive an adequate response from the MTO.

Section 9.2 of the document Transportation Engineering and Environmental Protection for Group D Activities states: "Recent amendments to the act have ... required increased public notification and consultation for aggregate permits and wayside pits."

It is the contention of our association that the MTO used the restrictive notification and consultation measures of the Aggregate Resources Act and their class EA exemption to limit our opportunity to provide comments, concerns and objections to this quarry. We

feel that our rights under numerous acts, the MTO Statement of Environmental Values, MTO protocols, guidelines etc. were not respected or protected.

The second example occurred during the spring of 2010. In this case, members of our association observed test drilling being done adjacent to Rock Lake on a cottage access road. We contacted the local Ministry of Natural Resources and inquired what was going on. They did not provide any positive response.

In early June, our association received a copy of an aggregate quarry application from a local contractor. This package contained a copy of the application, a copy of the site plans and a series of blank sheets of paper referring to technical reports. The application and site plans indicated that the proponent was planning to establish an aggregate quarry within 400 metres of Rock Lake. The proposal was for the stripping, drilling, blasting, screening, crushing etc. of up to one million tonnes of aggregate annually. Also, the proponent requested approval for a portable cement plant and an asphalt plant at the site. The site plan listed numerous pieces of heavy equipment that would be required at the site.

Our association contacted the proponent's consultant and requested a complete set of technical reports and inquired if the proponent would be notifying the property owners and stakeholders in the area. The response from the proponent was, "Not at this time." We asked if there would be a public information session and if the proponent had developed a communications plan. The response we received was that under the Aggregate Resources Act, the proponent only had to contact landowners within 120 metres of the quarry boundary.

Section 4.1 of the Aggregate Resources Act provincial standards states: "If significant environmental impacts are recognized by the Ministry of Natural Resources, then additional consultation may be required"—an example would be newspaper ads, open houses etc.—"as per exemption 26/7 of the Environmental Assessment Act." Surely, a quarry of this magnitude that would result in environmental degradation, noise, dust, health and safety concerns, toxic fumes etc. would warrant a more comprehensive notification and public consultation process.

Initially, we were given 20 days to respond with any concerns, a time frame that was then raised to 30 days under the EAA requirements. The restrictive notification and lack of consultation by the proponent was very disappointing to our association.

In July, we contacted the MNR requesting an extension of 90 days to give adequate time for our association to contact all the stakeholders in the area, get expert advice, review the documents, provide our concerns. Our request was denied by the MNR.

The proponent then had six months to respond to our concerns and objections. During the next six months, our association heard very little from the proponent.

In January 2011, we received a letter stating that the proponent could not address our objections and concerns

because our letters of objection did not have enough information; some letters appeared to be form letters etc. They also indicated that the MNR had granted an extension until April 1, 2011, for the proponent to submit his final package. The MNR's rationale given for the extension was in order for the proponent to have more time to get additional professional advice and to develop their final package to the MNR. This letter also indicated that if we had any further objections and recommendations, that they must be sent by registered mail or personally delivered by February 14, 2011. It also stated that only letters that met the standard would be considered.

During the past two years, the proponent and the MNR have met to review the application and mitigation measures. The site plans, technical reports and applications have been amended numerous times. Our association has requested current information since the beginning of this flawed process. In an attempt to obtain this information, our association was required to submit a freedom-of-information request. The MNR still refuses to provide all of the requested documents.

I would like to provide a quote from Mr. Gord Miller, Environmental Commissioner for Ontario. On March 28, 2011, Mr. Miller posted the following: "I am frequently struck by the seeming inability of the ministries I oversee to understand the minimal public consultation system set out in the Environmental Bill of Rights...."

Later in the article, Mr. Miller concludes, "There was a time ... when government ministries made decisions for the good of the province without public participation, because they thought they 'knew best.' And maybe they did. These are not those times. These are times when government action relating to the environment can have serious and widespread consequences. And these are times when people want and expect to be informed of and engaged in such decision-making. Frustrating these desires is ill-conceived, unwise and contrary to the law."

The Acting Chair (Mr. Joe Dickson): You have 30 seconds, sir. If you do go over, it will just shorten the questions.

Mr. Jim Gomm: That's fine. In our opinion, a provincial act that allows for the type of development we have described adjacent to a recreational lake with a minimum requirement for public notification, consultation and information-sharing, is in desperate need of amending.

In conclusion, we feel that under the present ARA and provincial standards, the inherent rights of the people of Ontario are not being protected and respected. We offer the following recommendations:

(1) That the specified distance of 120 meters for notification and consultation to property owners and stakeholders regarding quarry applications must be increased to ensure that all affected parties are included in the application review process.

(2) That the ARA and provincial standards be amended to ensure that a more comprehensive process

for public notification, consultation and information-sharing is clearly outlined and required in the act.

(3) Finally, that the purpose, vision and application, as outlined in the statement of environmental values for the Ministry of Natural Resources, must be adhered to and incorporated into the amended ARA and provincial standards.

Thank you for your time and attention.

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The Acting Chair (Mr. Joe Dickson): Thank you for your presentation, Mr. Gomm.

We have just under four minutes, and I would commence with the Liberal Party.

Mr. Mike Colle: As a layperson, Mr. Gomm, you've done a great bit of work here. I think the committee thanks you for the work you and your association have done, and I think you've made some very sound recommendations here. I guess the first one is that any group D activities by MTO should also require a notification period of surrounding residents and it shouldn't be exempt.

Mr. Jim Gomm: We were very disappointed to find out that they did not have—

Mr. Mike Colle: —a requirement to do that, yes. That's one thing we'll certainly look at: to see if they should be required to notify residents.

The other recommendation is also one that has come up before, and that is that 120 metres seems to be very limited; that obviously we should look at extending that to a considerable amount of distance so that the surrounding neighbours can be made aware of the impending application.

Mr. Jim Gomm: That is a very, very restricted distance.

Mr. Mike Colle: Yes, it seems to be a very short distance—

The Acting Chair (Mr. Joe Dickson): Thank you. I will now go to the Tory party.

Mr. Michael Harris: Jim, thank you for your presentation. My riding is Kitchener-Conestoga, and last week in Kitchener we heard from many of the resident groups up that way.

I notice here in recommendation number two, you're calling for a more comprehensive public process for notification, consultation and information-sharing. Do you have any details in terms of what you'd like to see pertaining to that specifically? Is there a concern around that?

Mr. Jim Gomm: We're not sure that we would have ever known about either one of these quarries if we hadn't made the inquiry. I guess—

Mr. Michael Harris: Longer notification periods—

Mr. Jim Gomm: I would think that the net has to be cast wider. I think the only people that they contacted was our association, and that's only because we notified them. They never dealt with any of the other stakeholders that may have had an interest in that area.

Mr. Michael Harris: Also, this pit application: Who was it actually in the name of? Was it the successful contractor of the highway project—

Mr. Jim Gomm: No, MTO. And then they offered it under the contract.

Mr. Michael Harris: Was that initially crown land to begin with?

Mr. Jim Gomm: I believe it was, yes.

Mr. Michael Harris: So the licensee is now the successful bidder of that highway project?

Mr. Jim Gomm: No, it's still retained by MTO.

The Acting Chair (Mr. Joe Dickson): We will now go to the NDP.

Ms. Sarah Campbell: Thank you very much for your presentation. I have a few questions, so I'll try to whip through them fairly quickly.

I wanted you to elaborate a little bit on your recommendation number one. You were stating that 120 metres of notification area is not adequate. What do you think is appropriate?

Mr. Jim Gomm: I was asked this question by MTO. I said, "Well, let me explain it to you this way: You talked to somebody 100 kilometres away and asked for their opinion, and you didn't ask somebody a kilometre away."

As somebody mentioned earlier—can I give you a specific thing? I would think that each case, depending on its complexity, would require some kind of a sliding scale. Obviously, to take out a million tonnes and not talk to anybody outside of 120 metres is not adequate—so, a sliding scale.

Ms. Sarah Campbell: Actually, you raised that point that I wanted to ask too. You said that agencies over 100 kilometres away were contacted for their comments. Can you elaborate? Which kinds of agencies?

Mr. Jim Gomm: First Nations, federal, MOE, municipalities, those types of ones.

The Acting Chair (Mr. Joe Dickson): Thank you very much for your presentation, Mr. Gomm.

ETHIER SAND AND GRAVEL LTD.

The Acting Chair (Mr. Joe Dickson): I would now like to go to Ethier Sand and Gravel. I have two gentlemen: Marcel Ethier and Mark Zinn. Welcome, gentlemen. You may start any time you wish.

Mr. Marcel Ethier: Good afternoon. My name is Marcel Ethier. I am pleased to be before you today. I am the president of Ethier Sand and Gravel Ltd. in Sudbury. At the age of 24, I took over the company started by my father and have been in the aggregate business ever since.

Compared to some of the large producers in southern Ontario, we would be considered a small producer of aggregates. It is my concern that the results of the ARA review process that is being undertaken will make it more difficult, if not impossible, for the small producers to survive. We supply aggregates to consumers, construction contractors and the mining industry. These projects include the new hospitals, schools, roads,

bridges, water and sewer systems, housing, mining development and production of products for the manufacturing of concrete and asphalt.

The aggregate industry today is being portrayed by critics as it was 50 years ago. This is not the case. Today, producers are community-oriented, environmentally aware, and they go out of their way to be good neighbours. Producers are innovators in terms of minimizing impacts and implementing new and existing rehabilitation plans that provide lasting community benefits. Producers do not walk away from their responsibilities. They are good land stewards.

I am not opposed to the review of the Aggregate Resources Act. I believe that the act has served the provincial interest well since its inception in 1997. I believe that this review can serve to streamline the application process and enhance the operational compliance of existing sites. However, I am also aware that this review has the potential to undermine the economic health of this province. I am comfortable that this committee is dedicated to finding balance in an extremely complex issue, and I can ask no more than that.

The ARA consultation process is set out in the provincial standards. It is proponent-driven. It has inherent requirements for public input, including public meetings, and obligates the proponents to respond to every expression of concern or objection in an attempt to address the issues. This has proven to be a lengthy but generally workable process. However, the process could be fine-tuned and could be made more efficient. We are open to changes that bring clarity, efficiency, more public input and opportunity for the development of good ideas surrounding individual applications. I believe that the licensing procedure has become too confusing, complex and onerous for opponents, proponents and other community members interested in following an application through the process. People lose faith in the process when it becomes too complex.

In addition, there is substantial uncertainty, time and cost to license new facilities for both aggregate producers and local communities. The ARA review should focus on making the pit and quarry approval process more transparent and efficient. This will benefit not only the producers but also the host community and concerned neighbours.

There has been a suggestion that sunset clauses be added as a licence condition. This would establish a fixed time limit on operation and rehabilitation of a pit or quarry. There are many reasons that these sunset clauses are bad policy. The annual rate of extraction within any pit or quarry is directly tied to market demand. It is impossible to say with certainty when an aggregate deposit will be depleted, and that could lead to premature closure of pits and quarries when there is still aggregate resource remaining to be extracted. I am certain that even in the north, the premature closure of an aggregate facility will increase pressure to license new pits and quarries elsewhere.

Here in northern Ontario, it is not uncommon for pits and quarries to only operate every two or three years, based on local infrastructure and development. Having time frames on licences will significantly change the businesses of aggregate producers in the north, including mine.

Having a defined end date will prevent consideration of logical expansions of existing pits and quarries. The advantage of an expansion is that there is already existing infrastructure to serve the aggregate operation, particularly its haul routes.

It has also been recommended that the province substantially increase the aggregate levy in order to increase funding to the MNR aggregates program, local municipalities and the Ontario Aggregate Resources Corporation. I am not opposed to an increased levy if the funds are directed appropriately; however, this increase will create an inherent inequity across the north. The levy, as it stands now, only applies to licensed pits and quarries. The licensing only applies to privately owned property. In northern Ontario, much of the land used for aggregate production is crown land and therefore requires an aggregate permit only to operate.

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Currently, there is a royalty fee for extraction from crown land, but the levy does not apply. A substantial increase in the levy will create an inequity between the fees charged for extraction from privately owned land and extraction from crown land. The royalty fee collected from crown land is paid to the province only, and as a result, the local municipalities and TOARC do not receive any funding from crown land extraction. We would ask the committee to consider equalizing the levy fees applied to crown land and private land, and ensure that northern municipalities are also part of this compensation, as are the municipalities in the south.

Another inequity specific to northern Ontario concerns aggregate extraction and sales from crown land that has been brought to lease under the Mining Act. The regulatory process to prepare a piece of crown land for mining metallic minerals under the Mining Act is different than a process to prepare a piece of crown land for aggregate extraction. If the crown land has been brought to lease under the Mining Act, first, aggregates may be sold from their property free of royalty and levy. This overlap is known to both government ministries that administer these two acts, and while it is not occurring everywhere, it is a source of concern for our company and the Ontario Stone, Sand and Gravel Association. If the levy is significantly increased, this inequity between crown land operations and those on private land will be substantial.

We ask the committee to consider removing this overlap between acts and ensure that the aggregate levy applies to all crown land, regardless of the status under the Mining Act. This is an easily accomplished administrative change that we would ask the committee to consider. We would be happy to provide additional doc-

umentation on this particular issue to provide more details.

I understand that the task before you is not an easy one. You have and will continue to have input from a huge variety of interests. All I can ask is that in your deliberations, you don't lose sight of the needs of the smaller aggregate operators and what we individually and collectively contribute to the economy of Ontario. In your deliberations, the concerns of northern Ontario should not be forgotten.

Thank you for your time.

The Acting Chair (Mr. Joe Dickson): Thank you very much, Mr. Ethier. I will now go to the Tory party for questions, please.

Mr. Michael Harris: We understand there are about 700 permits in Ontario on crown land held by the MTO. A simple question: Do you think the MTO should be in the aggregate business?

Mr. Marcel Ethier: No, not really. But they save money, especially when they build highways. It's a cost savings to them. Being in the aggregate business, I would say no, but it's common sense.

The Acting Chair (Mr. Joe Dickson): Second follow-up?

Ms. Sylvia Jones: My question relates to sunset clauses. I understand why there are challenges with sunset clauses. Having said that, I do have some sympathy for the adjacent landowners who have no definitive end timeline. Is there another option, other than sunset clauses? Perhaps a minimum extraction must occur on an annual basis. Basically, you would be keeping the pit active as opposed to sitting on a licence.

Mr. Marcel Ethier: I don't know; it all depends on the market. If there's nothing going on a few kilometres from your gravel pits, who do you sell it to? We have a few that we don't operate very often because there's no demand there or somebody is a little closer than you are. It all depends on the market. Especially up north, there's not that much population; they're far apart. Some of the gravel pits that we have are alkaline-free for concrete—but they [*inaudible*] and they mine them now out of our quarry. So it sort of put us out of the market for now.

It's pretty hard to put a timeline on your extraction. I know what you're saying.

Ms. Sylvia Jones: Yes, well, we talk about interim use, but then we don't say what the interim is.

Mr. Marcel Ethier: Yes. If I could tell you how much—if I could deplete it in two years I'd be happy.

Ms. Sylvia Jones: Sure. Okay, thank you.

The Acting Chair (Mr. Joe Dickson): Thank you very much for the questions. I will now go to the NDP.

Ms. Sarah Campbell: Thank you for your presentation. I'm wondering if you have some ideas about what we can do to streamline the process to get rid of some of that complexity and confusion that you were talking about.

Mr. Marcel Ethier: Well, there is so much—maybe you can answer that, Mark.

Mr. Mark Zinn: Marcel has been in the industry for 50 years and I've been in it myself for almost 30. It's so complex and there are so many overlapping regulations—I think there's over 25 provincial and federal regulations that apply—that it just gets very confusing, especially for small operators like ourselves. We almost need to hire consultants or rely on the OSSGA a lot to guide us through the procedure. If you just streamline it—if it's that difficult for us to understand and we've been in the business for 30 years almost, it's going to be very hard for the general public to understand. It's just a lot of overlapping procedures that are in place.

Mr. Marcel Ethier: Overlapping between governments.

Ms. Sarah Campbell: Some area residents, as you just heard, are calling for increased notification windows so they can have greater participation before a pit or a quarry opens up. Is that something that you would support, if we were able to streamline the process?

Mr. Marcel Ethier: Yes, I would support that. I think that was MTO—MTO figures they create their own rules; they do their own thing and they think they have the right, and they're another government. We have to notify all the neighbours, we have to put it on paper; we cannot get away with what they do.

Mr. Mark Zinn: We live in the community that we operate in, and it's a smaller community, so we want to be good stewards, we want to be good neighbours. So that consultation process is important to us because we want to know any problems before they come up when we start operating a gravel operation.

The Acting Chair (Mr. Joe Dickson): Thank you for your questions. I will now go to the Liberal Party.

Mr. Mike Colle: Again, thank you very much, Marcel. A very grounded presentation.

I guess the good thing that you pointed out to us is, again, looking at the levies and, as they might discriminate against operators on crown land as opposed to private land, we should be very careful to level that playing field if there are any changes. I think that's what you said.

Mr. Marcel Ethier: What's your question? Oh, I'm saying yes. The crown land, they don't pay any levy. So if you put a levy—

Mr. Mike Colle: On the private.

Mr. Marcel Ethier: —on a private of a dollar, then that means that our neighbour which is on crown land has a dollar advantage over us.

Mr. Mike Colle: I think you made that clear.

The other point is about MTO. It's my understanding that basically that's been going on for generations. Where MTO is rebuilding a road and there might be an aggregate source available right beside where the construction is, MTO traditionally has extracted some of the aggregates from the nearby pits so they don't have to be trucking aggregates from way across the county to do that road construction.

Mr. Marcel Ethier: Yes, that's right. It used to be called before—they had a wayside permit.

Mr. Mike Colle: The wayside program, yes.

I don't think you're saying we should do away with the wayside program.

Mr. Marcel Ethier: Well, for me, it competes against us, against operators. I want to be fair about it. It has been there forever and I think it'll be tough to change that.

Mr. Mike Colle: Okay. And the other thing that you mentioned is that you said it's a lengthy, unworkable process, and it takes up to 10 years in some cases. Perhaps one of the things the committee is looking at is maybe front-loading some of the processes so that you don't spend forever getting an approval. Especially when you've got a small application, you can't have a one-size-fits-all where you're asking a small operator like you to go through 10 years, when you're asking for the big guy to go through something—you're saying we've got to find a way of streamlining, especially for the small operators and a small application.

Mr. Marcel Ethier: That's right, because a smaller operator would never be able to—it's almost impossible for them to get a licence because, like you're saying, it's too complicated.

And you're right. There's a difference between a small operator—and it all depends where you are, also. If you're in southern Ontario, the neighbours are close; here in the north, they're not, but we still have to go through the same process that they do in southern Ontario.

1710

Mr. Mike Colle: So geography does make a difference too, yes.

Mr. Marcel Ethier: Oh, big time; yes.

The Acting Chair (Mr. Joe Dickson): Thank you very much for your presentation, Mr. Ethier and Mr. Zinn. Well done, gentlemen.

BERNT GILBERTSON ENTERPRISES

The Acting Chair (Mr. Joe Dickson): I would now like to call forward Gilbertson Enterprises: Calvin Gilbertson, Scott Eddy. Welcome. Looks like we have two wrapped into one.

Mr. Calvin Gilbertson: One.

The Acting Chair (Mr. Joe Dickson): Your name, sir?

Mr. Calvin Gilbertson: Calvin Gilbertson.

The Acting Chair (Mr. Joe Dickson): Thank you, sir.

Mr. Calvin Gilbertson: I think Scott planned to be out of town; he just didn't tell me. He's out in Calgary.

My name is Calvin Gilbertson. I'm vice-president of Bernt Gilbertson Enterprises, based on St. Joseph Island, near Sault Ste Marie. We're a family business started over 60 years ago by my grandfather as a logging business, which today has grown into a business supplying high-quality aggregate products to municipalities, the

Ministry of Transportation and private concrete, asphalt and construction companies throughout northern Ontario.

Our work area in northern Ontario covers over 1,500 kilometres on the Highway 17 and the Highway 11 corridors, from Sudbury in the east to the Manitoba border in the west, working at all points in between. Our work area includes such remote points in the north, communities such as Armstrong, Pickle Lake, Musselwhite, Windigo Lake, Red Lake, Ear Falls, Whitedog, Pikangikum, Sioux Lookout, just to mention a few—and I hope you know where those are, because I've been to every one.

Interjection.

Mr. Calvin Gilbertson: Yes, that's good.

I'd like to touch on just a couple of points. I think we're going to have lots of time for questions.

Close to market: Because of the vast distances covered to construct or rebuild highways and roads, it is important for the raw product required to be as close as possible to the project. This makes sense for several reasons. It keeps costs lower for government and the private sector when supplying and installing product. Short-distance hauling consumes less energy per project, which is better for the environment—like fuel, a non-renewable resource. If we have to haul it farther, we have to burn a lot more fuel. Trucks average about five miles to the gallon. Unnecessary long-distance hauling causes increased burden on highways, roads and bridges, as well as the increased equipment and maintenance repair costs. The use of area pits and quarries benefits local employment in industries such as motels, restaurants and service stations. The most dangerous thing that we do when we go out to work today is drive on our highways. So the closer we can keep the product to the job, the better off we are.

The sunset clauses on pits—I don't agree with that at all, because in the north we need those pits available at a moment's notice. We work mostly for the MTO in the north, and they have hundreds of pits that are available. We don't have to go through the licensing process. They already have them. Some of them that we're into are probably 30 years old. They haven't been used. We'll open them up. The permits are already done. We clean them up and start extracting sand, gravel—whatever—for the highway maintenance.

Myself, I do mostly sand—fill the ditches for the sanding of the roads. I left my crew in Wawa today to come down here. That's a six-hour drive. Now, this is what we call just entering northern Ontario here. So, from here to the border, you've got another 16-hour drive, and we have put sand up right to the border. From Sudbury to the border, it'd probably take you about four months to do that. So, sunset clauses on pits, that's just kind of a recipe for disaster.

And—I wish Scott was here.

In closing, it's my opinion that the Aggregate Resources Act is not broken. It is social and environmental legislation that works. After reading the transcripts from the hearings in other locations, it's

apparent that we're here today because of the issues involving opposition to one application in southern Ontario. It seems to be a GTA concern. What is necessary in the south may not be necessary in the north.

The Acting Chair (Mr. Joe Dickson): Thank you very much, sir. I would now turn to the NDP for questions.

Ms. Sarah Campbell: Thank you for your presentation. I am acutely aware of many of the communities that you mentioned because everything from Pickle Lake going west is all in my riding of Kenora–Rainy River, so I understand the geography well. It's interesting when you tell people that here in Sudbury they're closer to Toronto than we are in the northwest to Sudbury, so we're that far removed. Thank you for that.

I wanted to talk to you a little bit about the sunset clauses. I think part of the reason why this issue has come up is primarily because people living in residential areas in southern Ontario have concerns that there can be a pit or a quarry that can be dormant for, say, 40 years, and then it can start up again. One of the things that we may want to consider is possibly having some kind of a northern exemption from that, if we were to look at that, to recognize the market fluctuations, the needs, the vast geography.

Is that something that you would support? Maybe not necessarily sunset clauses, but something to make sure that the pits and quarries really are interim uses of land and not just a means to kind of have an end run around the rehabilitation requirements.

Mr. Calvin Gilbertson: If it doesn't affect the north, fine.

Ms. Sarah Campbell: Thanks. That's pretty much all I had.

The Acting Chair (Mr. Joe Dickson): Go ahead.

Mr. Michael Mantha: Again, understanding the travel, I just did six hours of travelling myself to get here today. I was talking to one of the committee members here: Where he can do his riding in a 10-minute bike ride, it takes me 16 hours to get from one end to the other, so I appreciate the travel that you've done.

My question, again, is on the sunset clause and understanding how the dynamics here in northern Ontario are and how we use our pits. Would the use of a pit which would be geared specifically towards how you're using it, for municipal projects, small projects, interim—you're in for 30 days, it's shut for three years; or you're in for four months and it's down—versus where you have a large pit, a large use, where you have large capital projects that are coming out of it. Would that be something that would accommodate your needs as far as putting in some type of language into a sunset clause-type piece of legislation? Is that something that would work for you?

Mr. Calvin Gilbertson: In the north, I don't think you need a sunset clause at all because the jobs could be so few and far between and there's so many kilometres of road, and to close a pit in the middle—the road may not be surfaced for 20 years. And then to have to go through

the permit process again? That's why I'm happy the MTO has those permits available for use in the north, because there's no way we could go through the permit process.

We have three months to work in the north, three good months. Then you've got frost on the start, frost on the end, wet weather. It just would make it totally—we just couldn't do it, as private companies. That's why the MTO has those clauses in there, so that they can get those pits through without quite as much public consultation. I guess maybe it should be looked at, but they need the aggregate.

The Acting Chair (Mr. Joe Dickson): Okay, sir. Thank you. The next questions will go to the Liberals.

Mr. Mike Colle: Thank you for the presentation. I know the northern members were talking about how many hours it takes to get across their riding and how vast it is. All I know is that my riding is not large, but sometimes it takes me three hours to drive across my main street of Eglinton Avenue, and sometimes I wish I was driving across Manitoulin Island rather than in that traffic.

1720

The one thing you brought up which hasn't been brought up by many presenters is the importance of sand and the fact that we need it for winter maintenance. Could you explain your work with sand and how you work with MTO and road safety, that part of your business? Because that's the first time we've really heard the sand part of the presentation.

Mr. Calvin Gilbertson: Well, it's changing, now that they're putting all the patrols out to private. Transfield and Miller and whoever gets the whole job, so we now work for them. But we can still use the ministry pits. Ministry pits are available free of charge as long as the aggregate or product is going, final use, to them.

So we'll go in, clean up the pit, whether it's new, old, or whatever. We find one as close as we can. Somebody was asking, "What is 'close'?" We don't like to haul any more than 20 kilometres. Anything more than that gets a little bit more expensive in the way we bid the jobs.

We'll go in, bring our machinery in—four trucks, five trucks—and screen the material out to quarter-inch. Anything under quarter-inch goes into the dome. It has to be less than 5% dirt, and it can't be over one quarter of an inch—what is that, 6 millimetres? We mix it with 3% salt and stack it in the dome.

Mr. Mike Colle: So then your trucks would take it to the domes and then it gets mixed with salt and then it's used for winter road maintenance, which is more than half the year, right?

Mr. Calvin Gilbertson: Yes.

Mr. Mike Colle: And that's why you need all these pits available in different parts of north, so that you don't have to go way across miles and miles to get that access to that sand.

Mr. Calvin Gilbertson: Yes.

Mr. Mike Colle: And that's why you were saying it's very important to look at the sunset clauses as they might

relate to the pits that are available in the north, and that would be very difficult in terms of your operation.

Mr. Calvin Gilbertson: Oh, yes; extremely.

Mr. Mike Colle: Thank you very much, sir, for the presentation.

The Acting Chair (Mr. Joe Dickson): Thank you, sir. I will now go to the Tory Party, please.

Mr. Victor Fedeli: Thank you very much.

Interjection.

The Acting Chair (Mr. Joe Dickson): Oh, whatever you would like to be called.

Mr. Michael Harris: Progressive Conservatives.

The Acting Chair (Mr. Joe Dickson): Now please join me in hearing the questions from the Progressive Conservative Party.

Mr. Victor Fedeli: Thank you very much, Chair. Mr. Gilbertson, just a couple of general questions, and then I'm going to get into a bigger-picture question. I hope you'll humour me with some answers on that.

First, do you use MTO sites exclusively or do you have some of your own?

Mr. Calvin Gilbertson: No, we have lots of our own.

Mr. Victor Fedeli: This 120-metre regulation: Do you have any philosophy on that yourself, about notice? Just sort of a quick thought on that—the 120-metre setback.

Mr. Calvin Gilbertson: Setback?

Mr. Victor Fedeli: For giving notice.

Mr. Calvin Gilbertson: Oh, notice. If Scott was here, I would. He does all our pits and quarry plans and pit reports.

Mr. Victor Fedeli: That's a fair-enough answer. One of the earlier presenters on the sunset clause suggested that having a sunset clause will cause the quarries to close prematurely, resulting in an increase in application for new sites. Do you have a thought on that as well?

Mr. Calvin Gilbertson: I'm assuming, with the sunset clause, that you could redo it, could you not? Like, reapply? If you could, you could reopen that same quarry. In the north, I don't think we've ever depleted a pit yet.

Mr. Victor Fedeli: Okay. That's fair enough as well.

I wanted to get into a bigger picture. I will treat you as an expert in this field. I wanted to ask about the Ring of Fire. How are we going to build a road to the Ring of Fire? Do you have any philosophies on that?

Mr. Calvin Gilbertson: Very carefully.

Mr. Victor Fedeli: I figured you'd be the right guy to ask. You just struck me as the right person. Can you take just a minute or two, especially for those of us here who may not be familiar with that? Just give us your thoughts on that.

Mr. Calvin Gilbertson: I don't know enough about it to give you any educated information or guess about it. I know it can be done.

Mr. Victor Fedeli: The building of a couple-of-hundred-kilometre—

Interjection.

Mr. Victor Fedeli: I'm sorry?

Mr. Calvin Gilbertson: I know it can be done, and we'd be happy to help.

Mr. Victor Fedeli: I'll leave it at that, then. I appreciate your time. Thank you.

The Acting Chair (Mr. Joe Dickson): Thank you very much for your presentation, sir. I'm sorry to hear you've got so far to go back to Wawa. I can tell you, from someone who has snowmobiled from Apsley up to Wawa and back with his boys several times: Enjoy the scenery on the way up.

Mr. Calvin Gilbertson: Thanks.

The Acting Chair (Mr. Joe Dickson): Maybe I'll see you in the wintertime.

Mr. Calvin Gilbertson: I hope before that.

The Acting Chair (Mr. Joe Dickson): Okay. Thank you very much, sir.

MR. JIM CLARK

The Acting Chair (Mr. Joe Dickson): I'd like to ask Jim Clark to come forward, please. Welcome, sir.

Mr. Jim Clark: Thank you. Before I start my presentation, I wish to thank the standing committee on a completely different task, and that is for your efforts in the successful discussions on Bill 8, the underground infrastructure notification act. I know that you were able to find common ground that allowed that to pass through the Legislature. As a safety professional as well, I know you're going to save a lot of lives with that work.

I'm Jim Clark. I grew up in rural northern Ontario and spent many summers working on the family farm, bringing in crops. When I graduated college in 1974, I went to work for a construction company located in a relatively small gravel pit on the northern edge of Sault Ste. Marie, and I was there in 1976 when the area was designated under the Pits and Quarries Control Act.

In 1998, I was deemed qualified by the Ministry of Natural Resources to prepare and certify plans pursuant to section 8(4) of the Aggregate Resources Act. I've spent most of the past 40 years of my life planning, designing and operating pits and quarries in northern Ontario. I'm now employed to oversee and help manage some 67 operating properties and have another six at various stages of the licensing process. We are located solely in the north—you know, that's the place that everybody wants us to come and get the gravel out of.

We began recycling asphalt pavements back in the early 1980s, mostly hot-mix pavements, and some have been used to create a higher-end processed aggregate with superior compaction capabilities.

Fill sites were abundant at the time in Sault Ste. Marie for clean fill—that's the stuff without the concrete and asphalt in it—so we began accepting concrete and pavements, provided the contractor separated the materials into separate, clean products, much like you see in the blue box program. Our success was twofold: We accumulated pavements to recycle and market, and at the same time, fill areas were not contaminated with buried pavements and concrete.

In many northern communities that we operate now, the reclaimed pavements have become unavailable, and they're in short supply due to the demand for the product to recycle by others, and it's usually the municipality.

In our experience, recycling concrete has not been as successful, due to the cost, however. Most road base granular material in the north is bank-run gravel and, as such, does not require crushing, making it less expensive to produce. To reuse concrete, it must be crushed or processed, adding to the cost of the product and making it less competitive. Granular materials that require processing, regardless of the raw material, can be competitively priced but also face challenges. Sidewalks that have been constructed using wire-mesh reinforcing have not been successfully recycled into road surface materials because the wire fragments that remain will puncture tires.

As I read the Hansard, the situations I've experienced seem to be completely different from those presented to you in many of the deputations. In my hometown of Sault Ste. Marie, all municipal road bases are now constructed with 100% recycled iron blast furnace slag, and our market for road base material is nearly nonexistent. This market may return at some time in the future, since currently the blast furnace slag is being granulated into slag-cement raw materials and is processed into a marketable product. In Sudbury, recycling of slag into road base or parking-lot granulars amounts to less than 150,000 tonnes per year. Nickel slag recycling has diminished in recent years due to some durability issues.

Each new aggregate application site plan that we produce or that we have amended has a provision for recycling, but not all the plans that were produced in the past have that clause, and we're not able to recycle everywhere.

1730

If the members of the committee have time after this session, I invite you to go just a little bit, about 10 minutes up the road, and we can spend some time at a train-loading facility that is owned by our company. Although we don't have any trains there right now, you could actually see the size and composition of the train-loading facility that would be required if the rail option is what you recommend going forward. I'd welcome you to come with me and we could show it to you.

I know it's likely that the Aggregate Resources Act fees will increase substantially as a result of this review, and that's not a bad thing, providing the fees do not disappear into general coffers but, rather, stay with the management of stone, sand and gravel. We are the only road user that contributes directly to the infrastructure that we use.

To quote former Sudbury Mayor John Rodriguez at a TOARC cheque presentation a few years ago, "I thank the aggregate producers for doing their part. Now, if we could get the provincial government to share more of the monies collected from the mining industry, it would go a long way to eliminate the infrastructure deficit."

Municipal roads are not funded by any other industry that uses those roads as part of their normal production—not lumber mills, logging, not agriculture or manufacturing.

It was suggested in one of the deputations that a fee increase is like the incoming tide: all ships would raise the same amount. On that point, I would like you to consider an actual competitive disadvantage that exists along the Lake Huron north shore. First Nations communities have begun commercial aggregate production in more than one location. It's their resource and I applaud their thoughtful and careful management of their land. These sources, however, are outside of provincial jurisdiction. Any fee increase would not apply to their operations and cause an additional burden on adjacent producers who are licensed under the Aggregate Resources Act.

The Supreme Court of Canada has reiterated that governments in Canada have a duty to consult with aboriginal groups when making decisions that may adversely impact lands and resources subject to aboriginal claims. In my mind, this means that the provincial government must consult with aboriginal governments regarding aggregate applications on lands that the First Nation may have a claim. This does not mean that the aggregate licence applicant must enter into negotiations with the First Nation; it means that government-to-government discussions are to take place prior to the MNR issuing a licence on private land that could be part of a First Nation claim and must give consideration to that claim. I feel the MNR needs to be directed to conduct that consultation.

Ontario is a vast and variable land mass. The territory that I regularly visit is from Mattawa to Manitoba. Now, when you look at a map, it doesn't look that massive, but if you got in your car at Queen's Park and drove south a similar distance, you would be getting out of your car in Daytona Beach, Florida.

Think about the diversity of species that you would encounter along your trip south. There are areas of Ontario where certain species and their habitat have been endangered, while at the same time, in other parts of Ontario, the species are abundant. The whippoorwill is one example on the list of endangered species, yet is abundant in much of the north and has been found adjacent to every site we recently surveyed. Bald eagles are found everywhere if you go to Vermilion Bay, yet they're designated "of concern" in the rest of Ontario. Black bear are found regularly in the backyards of the homes in subdivisions in many cities in northern Ontario, and the suggestions of some imaginative northerners to relocate them to Rosedale or Queen's Park Circle have not been received all that well and have been dismissed out of hand.

The last item I believe I will have time for relates to the many comments made to this committee that industry is not—

The Acting Chair (Mr. Joe Dickson): You have one minute, sir.

Mr. Jim Clark: —rehabilitating properties to pre-existing uses. At our pit in Sault Ste. Marie, we planted nearly 9,000 red pine seedlings to rehabilitate slopes while we continue to operate the site.

Just to highlight the efforts of the founder of one of the companies I've been associated with: During 1971, Mr. Clifford Fielding planted over one million trees on a barren and rocky parcel within Sudbury he had purchased and planned to develop. The property is now covered with a beautiful mixed forest teeming with rabbits, birds and other wildlife, intermingled with our production buildings. This greening effort did not occur because of any legislation requirement, but because it was the right thing to do.

Thank you.

The Acting Chair (Mr. Joe Dickson): Thank you very much, sir. I will now ask the Ontario Liberal Party for questions.

Mr. Michael Coteau: Thank you very much, sir, for your presentation. I appreciate it.

A couple of comments you made with regard to industry leaders taking the initiative to plant trees and to rehabilitate the property: We've also seen people within the sector do the complete opposite and just abandon sites. Also, with regard to recycling, we've seen some reports that compare our jurisdiction to other jurisdictions internationally, and I believe Ontario was at 5% versus the UK, which is, I believe, at 25%. Any comments on those two issues?

Mr. Jim Clark: Well, I can't speak to the UK, but I know that in some of our road projects, we recycle 100% of the material that was there. Some of it may turn back into road base, some of it may be recycled into new driving surface, but in a lot of cases it's 100% recycled. In municipal cases, there are cities like North Bay, which are collecting their own asphalt pavement so that it can be recycled in their own projects.

Mr. Michael Coteau: Do you think there's anything the government—

The Chair (Mr. Joe Dickson): Thank you very much. We will now go to the Ontario progressive party.

Mr. Michael Harris: Conservative Party.

The Chair (Mr. Joe Dickson): Conservatives, too.

Ms. Sylvia Jones: Thank you. Mr Clark, I'm really glad you took the time to present to the committee. You brought a different perspective. I'm going to ask you one question, because you cited a lot of things in your presentation. I'm in no way making reference to your age, but you have operated in the industry under basically three different sets of legislation. If there was one thing that you would like our committee to take away from your presentation, what change would you like to see in the Aggregate Resources Act?

Mr. Jim Clark: I would like to see a separation between highly populated areas and the lower density areas like we find in northern Ontario, because the consultations and the concerns that affect neighbours don't always exist in northern Ontario, yet we still require that

same type of consultation and expense for much, much smaller quantities.

Ms. Sylvia Jones: Thank you for your time, sir.

The Chair (Mr. Joe Dickson): Thank you. I will now go to the Ontario NDP.

Ms. Sarah Campbell: Thank you for your presentation. I think it was very thoughtful and informed. I just want to ask you a quick question, and I do mean quick. Can you define "northern Ontario"?

Mr. Jim Clark: Northern Ontario: I guess it starts just south of Sudbury, in my mind. It's not Muskoka. Muskoka is still southern Ontario, in my mind.

Ms. Sarah Campbell: Thank you. The other question I have for you is, you talked about how an increase in the levy could adversely affect some non-First Nation-run operations. Do you have any idea how we could possibly reconcile that to create a level playing field while also respecting the fact that many people are calling for an increase in the levies?

Mr. Jim Clark: I don't have an answer, because one is federal jurisdiction and one is provincial jurisdiction—unless the federal government can work more closely, and recognize that inequity, with the First Nations.

Ms. Sarah Campbell: Okay. Thank you.

The Acting Chair (Mr. Joe Dickson): Thank you very much. Thank you, Mr. Clark. I would ask if you would speak to the committee clerk—or, as we lovingly call her, the boss—and give us the information on your location for the train.

I got up at 4 o'clock Monday morning, and except for five hours' sleep sometime early this morning, we've

been going everywhere. I know we're late to catch a puddle jumper to the next stop, so I'd love to have that information left with us. I'd like to thank you for your presentation this evening.

I'm going to now turn it over to Mr. Harris, who has a request of legislative research.

Mr. Michael Harris: Thank you, Chair. I was wondering if we could put a request in for legislative research to provide the committee with a paper that would identify other jurisdictions that import aggregate into Ontario, that being the US, possibly Quebec. Specifically, we'd like to know—or I'd like to know—what their levies are; if they have sunset clauses in their acts; if there is a recycling component; and possibly the average time to complete an application in those jurisdictions.

The Acting Chair (Mr. Joe Dickson): Research advises me they have noted that and will certainly look after that for you.

Mr. Michael Harris: Thank you.

The Acting Chair (Mr. Joe Dickson): Ladies and gentlemen, I would like to thank everyone for attending. I know every member around this table, from all parties, would like to assure you that the government is looking to improve the Aggregate Resources Act, and that is for all interested parties and presenters, wherever and however we can. So we'd like to thank you for the time you have taken to spend with us tonight.

I now call that this meeting be adjourned. Thank you.

The committee adjourned at 1741.

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